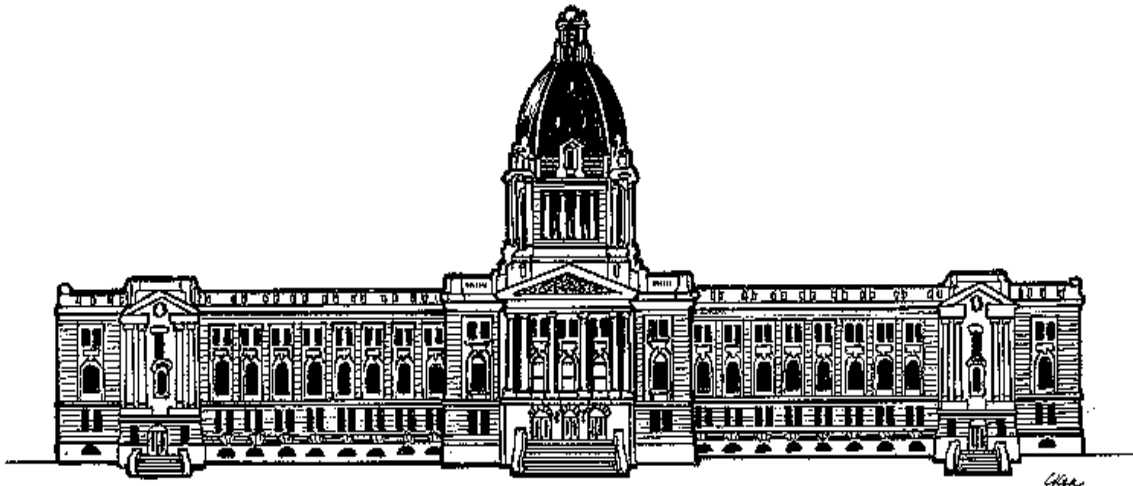




STANDING COMMITTEE ON INTERGOVERNMENTAL AFFAIRS AND INFRASTRUCTURE

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**STANDING COMMITTEE ON INTERGOVERNMENTAL
AFFAIRS AND INFRASTRUCTURE
2006**

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Wood River

Mr. Andy Iwanchuk
Saskatoon Fairview

Hon. Maynard Sonntag
Meadow Lake

Mr. Kim Trew
Regina Coronation Park

[The committee met at 16:00.]

**General Revenue Fund
First Nations and Métis Relations
Vote 25**

Subvote (FN01)

The Chair: — Good afternoon. We'll convene the Committee of Intergovernmental Affairs and Infrastructure. The item of business before the committee this afternoon is the consideration of estimates and supplementary estimates for the Department of First Nations and Métis Relations. I recognize the minister and ask the minister to introduce his officials.

Hon. Mr. Sonntag: — Thank you very much, Mr. Chair. And good afternoon, committee members. I'll introduce my officials, and if I have the concurrence of the committee I'll just do a brief overview as well, since there've been a few changes since the budget of this spring.

First of all, immediately to my right is Nora Sanders, the deputy minister; immediately to my left, Richard Gladue, assistant deputy minister; to the far right is Laurier Donais, director of finance and corporate services. Seated behind me is John Reid, executive director of policy and operations; to his left is Trisha Delormier-Hill, executive director of lands and resources. Rob Spelliscy is seated back and to my right, director of gaming trust and grants; and Jennifer Brass, executive assistant to the deputy minister, is sitting right over there.

And I want to particularly thank the Hon. Ms. Higgins for sitting in for me today. I appreciate that.

If I could, I would just go over a couple of things. First of all, I do appreciate the opportunity to take a few minutes before the committee's deliberations to provide a brief summary of the priorities, activities, and accomplishments of the department since we last met.

First Nations and Métis Relations has just recently completed its first full year of operations as a stand-alone department. It's been a busy and I think a fairly productive time.

The department works with First Nations and Métis people and other orders of government to advance common interests. It also works to improve the quality of life of First Nations and Métis people as a whole. Within the government, the department provides leadership to make sure that First Nations and Métis priorities and issues are reflected when policies and programs are developed and then implemented.

In terms of initiatives, I'm pleased to say that the department has launched a new economic development program for First Nations and Métis people. This program provides grants to First Nations and Métis entrepreneurs to help them do one of three things: start a new business, buy a new business, or expand an existing operation. The goal is to get more First Nations and Métis people into the provincial economy not only as employees but also as employers. And I'm very grateful to Saskatchewan Indian Equity Foundation and the Clarence Campeau Development Fund for helping the department deliver

this program.

We have \$1.5 million allocated to the economic development program this year. The department's Aboriginal employment development program, or AEDP as most of you in this room will know, continues to flourish. Many of you are aware of this program, but in a nutshell, it is designed to increase the numbers of First Nations and Métis people in the provincial workforce in all kinds of jobs and at all levels.

The AEDP is based on partnerships with employers and unions within and outside of government right across our province. Right now the department has 69 partnerships and will be signing more in the near future. In recognition of the importance of this program, its funding has been increased by \$216,000.

Self-government is a continuing priority for the Government of Saskatchewan, and we are currently involved in intense negotiations with the Meadow Lake First Nations in this area. Progress is being made.

The Department of First Nations and Métis Relations is continuing to ensure that the province's obligations respecting treaty land entitlements are fulfilled. As you will know, treaty land entitlement exists because not all First Nations received the land that they were promised when they signed the treaties — in most cases more than 100 years ago.

We are currently at TLE [treaty land entitlement] negotiating tables with Canada and four First Nations, specifically Sturgeon Lake, Muskoday, Gordon, and Pasqua. These negotiations as well are going well, and I'm hopeful that the operations, the agreements I should say, will be reached this year. In anticipation of these new deals, 4.5 million has been added to the department's budget this year, meaning that we will have a total of almost \$15 million for treaty land entitlement.

Funding related to gaming makes up more than half of the budget of First Nations and Métis Relations. We have about 29 million in this year's budget, an increase of \$2 million. That increase is required because gaming transfers are projected to be up by that amount because of a forecasted increase in net income for First Nations casinos.

Overall, the total budget of the Department of First Nations and Métis Relations is now approximately \$51 million. Ninety-two per cent of that goes directly to First Nations or Métis people. The rest is spent on salaries and other administrative costs.

In closing I am pleased with the progress made by the department. And I know that there is much more to do and the department stands ready to do it. I am confident that by working together with First Nations and Métis people and communities, we will continue to make significant strides.

First Nations and Métis people are a key element of this province's prosperity. The Department of First Nations and Métis Relations is also committed to further developing and maintaining relationships between this government and First Nations and Métis governments and people. These efforts will help to ensure a positive future for all Saskatchewan people.

And with those brief remarks we'd be now pleased to answer any questions that committee members might have.

The Chair: — Thank you, Mr. Minister. Ms. Draude.

Ms. Draude: — Thank you very much to Mr. Minister and to the officials. I look forward to some discussions today. And I'm going to start with not only thanking the minister for the overview, but I agree we . . . last year when we discussed this department there had not been one full year to compare year-over-year operations. And now that you do have the full year, I'd ask the minister to give me his view on the progress of the department year over year on the role of the department in improving the quality of life of First Nations and Métis people as well as improving the social and economic development of the First Nations and Métis people.

Hon. Mr. Sonntag: — Well you measure these things, unfortunately, in very small steps. I think there has been progress in the last year. It has been my view that clearly, specifically First Nations, the FSIN [Federation of Saskatchewan Indian Nations], I guess to a lesser degree Métis people because of the dispute that's ongoing yet within the MNS [Métis Nation of Saskatchewan], although the different community organizations I think have utilized, are becoming more and more aware of the specific office that exists and department that exists and have more and more utilized our office as a single window for access into different departments and for coordinating what are very often multi-departmental issues.

And the responses that we get are that they are not always pleased with the answers but are very appreciative of the fact that they now have a single window to get into many levels of government.

Ms. Draude: — Thank you. Mr. Minister, when this department first came together a year and a half ago, we did say that we were very pleased that there was now a department that was dealing with First Nations issues but at the same time concerned that we were going to be able to see a measurable difference. And I agree that it's difficult when you're talking about people's lives to have a measurable difference but if we haven't, the number of calls to your office would probably have increased. Because now it's working more like an MLA [Member of the Legislative Assembly] office where people would know to phone this department and the requests would be transferred to different departments.

But how do we know that this is actually better now than the old process? How is it really making a difference to the First Nations and Métis people's lives?

Hon. Mr. Sonntag: — Well for starters I mean we now have the economic development fund that directly impacts individuals and businesses and tribal councils and specific First Nations.

In fact I don't know if you were referencing my quote directly, but my recollection is that is specifically what I said. That in some ways, the department actually works like an MLA's offices in that we are . . . Maybe I'm being repetitive of your question here and correct me if I'm wrong, but that's really

what this office does. And with the performance plan now in place for the department, it outlines essentially what our role is. That is to coordinate initiatives on behalf of First Nations and Métis people, to attempt to make their lives better.

In terms of specific measurements, I think it will be difficult if this is specific about measuring targets. But things like the economic development fund, I think, do make very specific and direct differences and improvements in Aboriginal people's lives.

Ms. Draude: — Mr. Minister, since this department started, there has been an increase of 10.24 per cent in funding, but a 35 per cent increase in the number of staff. Can you tell me why there's had to be this type of increase?

Ms. Sanders: — I'd be happy to speak to that. I think it's an indication that the department is still being set up and still getting its feet as a department. In the first year we were really a holdover of the branch of the former department and this year there's been the new economic development fund approved and there were staff allocated to that.

There's also a staff change that looks like an increase really because of a reallocation of ministerial office staff since the minister doesn't have the Department of Highways any more. This department pays for a share of that office in a different way than it did when he had other departments. So in one way it's not actually more staff overall in the government, it's just where they get paid for.

But certainly as far as the budget increases, when the department was set up there were things like the information technical services, the ITO [Information Technology Office], that an estimate was made and then as the department gets going, they see what the costs are so there's a little bit of an increase for that. Those kinds of things in getting our feet on the ground as a department.

The bulk of the increases in our budget though relate to additional money. That's the gaming flow-through money, additional money for TLE because of the four under negotiation right now that we hope to settle this year, and additional money because of the economic development fund. Those are the three main areas where there's been an increase in the budget.

Ms. Draude: — I see that there was about \$400,000 increase in the central management and services. Could you explain that please?

Ms. Sanders: — Yes, I can. That includes the information services item that I mentioned. It includes the salary increases that were across the board. It includes an underfunding in the salary in the headquarters function . . . or the central management function from when it was first allocated, when it was set up. It's not a change in numbers of people; it's just the numbers that were initially estimated weren't quite right. It includes some attention to communication so that we get more information out. We have a unique client group to try to communicate with, so to try to enable us to communicate better as to departmental and government initiatives.

Those are the main part of the increase in the central office.

Ms. Draude: — Thank you. I notice that there's also about a \$2 million increase in the policy coordination support for Aboriginal organizations. Can you give me, if not a list of the Aboriginal organizations, the number that are supported and tell me what percentage of increase they've had from last year?

Ms. Sanders: — Primarily the new economic development fund and some additional funding in the Aboriginal employment development plan. That shows up in the category that you've referred to. I don't think we're anticipating finding additional Aboriginal organizations or funding them in a different way from previous years as far as FSIN or the allocation for Métis.

Ms. Draude: — So that's an increase of the \$2 million then?

Ms. Sanders: — It's 1.5 for the ec dev; it's 237,000 for the AEDP. And then I think the rest of it is the overall salary increases as they affect the staff in that division. So that's the overall salary increases that are felt across government show up in each of our different divisions as we work our way through.

Ms. Draude: — Can you tell me what percentage of increase was typical across your employee members?

Mr. Donais: — You mean salary-wise or . . . Actually I don't have that number right at my fingertips.

Hon. Mr. Sonntag: — I'll just answer part of that as well. Part of the difficulty this year in asking that question — not that it's not a fair question — you're comparing now for the first time actuals to what were projections from last year. So you're not really comparing actuals to actuals in terms of asking the question of year over year, year over a full year. Because we didn't know exactly how breaking the department out of Government Relations would exactly flow. So you're really comparing an actual to an estimate when you ask about an increase. Not that it's not a fair question, but it's not really comparing apples to apples yet.

Ms. Draude: — All right. I guess then without comparing can you tell me what was the average percentage of increase in wages to the employees in your department?

Mr. Donais: — We had across the department, for salary and inflation, went up about 200,000. And so I guess our salary costs last year, salary and operating, was about 3.4 million, so I guess probably 7 to 8 per cent increase.

Ms. Draude: — Okay. I'm going to get into a number of different issues, but I'm going to start with one that surprised me today because I imagine your department is . . . maybe you weren't surprised, but I was surprised when Dwayne Roth resigned today. And I'm just wondering if that's going to make any difference to the work that your department is doing with the Métis Nation.

Hon. Mr. Sonntag: — Well I think we had no advance warning of it either specifically that he was going to resign until I actually heard about it this morning on the news. In response to a number of questions that have already been asked by the media, essentially I say the same thing in here.

The resignation by Mr. Roth in my estimation is just one more . . . is one more step towards a new general election. It doesn't fundamentally change, I think, the process at all. We still require to the best of our understanding, although we'll be discussing this in the next day or two, the requirement for a new . . . or I should say for a Métis general assembly and for a motion requiring a new election. And in fact the conditions remain the same by the federal and provincial government that the elections need to be fair and democratic and be independently overseen. And we'll provide the funding under those conditions.

Ms. Draude: — Last year, I guess it was actually on May 12 when we met, this department or this committee met and you had indicated at that time that the anticipated monies from this area goes towards getting a legitimately elected organization and also supporting a new election with an independent oversight. And that would be anticipating allocating the money first to resolve this issue. Is that still your goal? How have you gone forward on the goal to ensure that we're going to have an election this year?

Hon. Mr. Sonntag: — The answer to the question specifically is yes, that is still exactly the objective. There have been many, many discussions, and as I said, everything that has occurred in the past year has all, in my view, taken us steps closer. I think I indicated as well that we thought it would take some considerable period of time because we had no jurisdictional authority to force an election other than through the mechanisms that I've described many times.

But I think since we met last time, with the charges that were laid and in the two circumstances the guilty pleas, today with the resignation of the disputed president, with recent calls from the commission within the MNS that there needs to be a new election — from many of the elders, Métis elders from across the province, at many of the meetings that I have been to, demanding a new election — all those things have I think layered on top of each other to put more and more pressure on the current individuals to bring together the presidents across the province and to hold a new election.

There was a little bit of a delay as well with the change in federal governments. We had to ensure that the existing government, now the new government, was onside as it relates to the agreements that had been reached between the province and the federal government. And I think it's fair to say largely they're in exactly the same . . . they hold almost exactly the same views and have been quite co-operative in trying to bring together a new election.

Ms. Draude: — I guess that would mean that this current government federally is also in agreement that they will be withholding the funds to the Métis Nation until there is an election?

Hon. Mr. Sonntag: — That's correct. There isn't any doubt in my mind that that's what they're doing.

Ms. Draude: — And when we worked through this issue last spring and again last fall, it seemed that we were in agreement that there had to be not only a new election but there had to be a registry so the people could actually be legitimately voting. Has

your government done any work on the registry or appointed anybody to do some work on the registry?

Hon. Mr. Sonntag: — No, we have not other than what had gone on in the past. And our view was that we were not prepared to put funding into a registry until there was an agreement for a new election.

Having said that, without going too far, there has been some discussions about whether we should start to move a little bit. This is some of the new stuff from the federal government about whether or not we should . . . from the new federal government about whether or not we should start trying to explore options that would allow us to do some work on the registry without being unnecessary work. That is that we don't want to spend a pile of money on a registry that won't be acceptable to Métis people once a new election is called. So they're trying to figure out right now, I think at an officials level, what can be done that would save some time once there's an agreement to a new election.

Ms. Draude: — I know that the outgoing disputed president had indicated that there was going to be — I think it was October he was going to be calling the . . . I have to think for a minute. Was it the election or the . . .

Hon. Mr. Sonntag: — The election.

Ms. Draude: — Election. Is your department's . . . Was it confirmed that there was going to be an election in October?

Hon. Mr. Sonntag: — No, although I don't want to . . . You see all of these things have I think moved us closer to an election. Our understanding of a call that an election would be on that date by the president, whether disputed or non-disputed, here would be our understanding, is that any election outside of the regular election process would require the legislative assembly to pass a motion. So again whether it was a disputed or non-disputed president they couldn't on their own proclaim an election would be held on a certain date.

So while it's a very good signal that they're talking about elections and I think it has restored a little bit of faith amongst a number of Métis across the province that at least there's discussion about moving towards this by some of the disputed people, it doesn't fundamentally determine that there is absolutely going to be an election until that assembly comes together to call it.

Ms. Draude: — And then just one last question on this area. Do you as minister still believe there will be a Métis legislative assembly this fall?

Hon. Mr. Sonntag: — I think that's possible. In terms of an actual election this fall, I would like to see that. I'm not sure, given the fact . . . I was hoping we would have had that assembly about now kind of thing or in May. But I think it is apparent to me that we're moving closer and closer to that assembly.

One of the things, sorry, that I did want to mention as well that has been occurring across the province and really I don't hazard to have a measurement on this but in terms of what in my

estimation is also moving us closer to an election — and you might be aware of this as well — but there are a number of locals in the province that have elected entirely new executives that have been fairly outspoken in their support for a new election.

So all of those things, I've talked a number, but all of those things have actually helped a lot. And I mean any time you get a new president and a new local that is supportive of a new election, that's one more vote at an assembly that will force a new election. So all of those things have helped.

Ms. Draude: — Thank you. The amount of money that was withheld last year from the province, and I believe it was the same amount from the federal government, was \$410,000. Is that the same amount this year?

Hon. Mr. Sonntag: — Yes it is.

Ms. Draude: — Last year the federal money just didn't come to Saskatchewan, I believe, but the provincial money was spent with different associations and some of the work with the consultation, the recommendations. Was the money spent this year as well?

Hon. Mr. Sonntag: — Essentially for the same purposes.

Ms. Draude: — Is there a breakdown of how the money was spent?

Ms. Sanders: — Yes. There was an amount spent to do with the Métis consultation panel of about \$79,000. There was some money spent on contracts related to trying to get advice on the issue would have totalled about 10,000, and then an amount to pay for meetings of members of the provincial Métis council, about 14,000. And then the bulk of it was spent either on grants specifically to Métis organizations or grants to organizations that were serving Métis and other Aboriginal youth in some way. And so that's the breakdown.

And I have to say that we still held the hope well into the year that we would be able to spend more of it on directly election-related expenses, but in the end when it was apparent we wouldn't be, we made sure it was spent on other projects that would benefit Métis generally.

Ms. Draude: — Just doing some quick math, it looks like there would've been about \$325,000 that was spent with different Métis organizations. Can you give us an idea of which organizations received money?

Ms. Sanders: — I can mention some of them certainly. We had Gabriel Dumont Institute, Prairie Métis women, Red River Metis Heritage Group, Prince Albert Métis Fall Festival, Central Urban Métis Federation, Buffalo Narrows Métis council — a number of groups. We can provide a full list if that would be . . .

Ms. Draude: — I would appreciate that.

Ms. Sanders: — Sure.

Ms. Draude: — And can you also tell me, was there

applications that had to be filled out and your department would determine which ones received the funding? Or how was the determination made?

Ms. Sanders: — There were always requests. We didn't have a formal application process but when we give grants we typically expect a letter, some kind of proposal explaining what they want to do with it. And that's what we would have had on these. Usually if it's initiated by a phone call then we ask for something in writing, if it's something that we're going to be able to support, to clarify what it is that the money would be spent on and so on. So those normal kinds of practices were used.

Ms. Draude: — Were there any phone call or requests that weren't approved? And was the amount of money that was given a specific amount or it just depended what they asked for?

Ms. Sanders: — There were numerous requests that we were not able to fund because there was a finite amount of money available. And in some cases we provided funding but not as much as had been asked for, for the same reason.

Ms. Draude: — The money that was to come from the federal government, is that money for the last two years been lost, period? Or when MNS becomes active again, will there be an opportunity to get some of the funds from the federal government?

Hon. Mr. Sonntag: — I think for all intents and purposes the funding is lost. But it'll be a little harder to measure that because in some ways at a national level, they would have done some of the things that we did as well — that is funding some of the organizations provincially in different ways, and that I don't really have that information.

But it would be my understanding as it stands now that they're not going to have set aside those funds and they're now going to pay those in. I think they adopt the same position as we do that their agreement to fund the 50 per cent of the election costs is their way of providing that funding that's been withheld for some years now.

Ms. Draude: — Thank you. The applications that the federal government would have received or the requests for money, would they go directly to the federal government and they made the decision, or does it come through your department?

Hon. Mr. Sonntag: — That would go directly to the federal government.

Ms. Draude: — So are you aware of which organizations receive money?

Hon. Mr. Sonntag: — No, I'm not.

Ms. Draude: — Thank you very much. My colleague is wondering if organizations would have been able to receive money from both places without the other one knowing that they received the money.

Ms. Sanders: — Maybe I can speak to that because I think the federal government doesn't typically give funding to the Métis

Nation of Saskatchewan in the same way that we do. Their funding is primarily to the Métis Nation of Canada or Métis National Council. And the money that would have flowed through Saskatchewan is what's being referred to as post-Powley money that the federal government's been spending across the country to help Métis groups do some background work relevant to the legal rights on hunting and fishing that flowed from a Supreme Court decision called Powley. And so I think what the minister's indicating is they continue to fund some of that work elsewhere in the country. Some of it will be very applicable to Saskatchewan; it just didn't flow to the Métis Nation.

But I don't know that they would have typically funded community groups in the same way that we would anyways. Having said that, it is possible that we would fund the same organization. We don't check with them if they've funded somebody. But we do when we fund somebody make sure that the money we give is being used for the purpose it's given for. Many of the funding amounts we give aren't for a full project or a full request anyway.

Ms. Draude: — Is the money that comes federally — and I'm not sure if you can answer this — is it paid per capita for Métis people or is there an amount of money that's paid to each province?

Hon. Mr. Sonntag: — My understanding is they don't do anything like that, no.

Ms. Draude: — So how does . . . I'm asking a question based on some information I received that Manitoba receives considerably more money from the federal government for their Métis association than Saskatchewan ever did. I'm wondering if you're aware of that and how they determine the amount of money they will receive.

Hon. Mr. Sonntag: — It would be a bit difficult to answer that question unless we specifically know. I'm only speculating here which is probably a highly inadvisable thing to do but it could be because — even the opposition's nodding in agreement on that one — it could be because there is a Métis provincial structure in place in Manitoba and that their negotiations on Powley are actually taking place and some of the funding for Powley is actually flowing in Manitoba.

That's been one of the biggest criticisms here in Saskatchewan that there's virtually no money post-Powley flowing because we don't have an organization to negotiate a discussion with. And so I mean I'm speculating that might be some of it. I also wonder if some of it isn't through HRDC [Human Resources Development Canada] maybe. I don't know that but . . .

Ms. Draude: — I'm not aware. I've just had some discussions with some Métis individuals. Actually last year I had an opportunity to ride on a Red River cart in Saskatchewan for a day. It seemed like a long time but there's not too much rubber on the wheels. And so I was speaking to a number of individuals that came from Manitoba and they had indicated that they believed they received more money in Manitoba than Saskatchewan did.

And I was wondering how . . . as minister, if you have the

opportunity to talk to the minister to determine how they choose which province to give the money to?

Hon. Mr. Sonntag: — I don't know. I mean I have fairly regular discussions actually with my counterpart in Manitoba, but the federal government doesn't sort of do core funding to any provincial Métis organization. And so I don't know exactly where that information would be coming from.

Ms. Draude: — Thank you. And just to clarify, I have to tell you I had a wonderful time. And even though it was rough, the roads were rough, it was very good. It was an opportunity to learn a lot about Métis people I didn't know before. And I was really thankful for the experience.

The only other question I have on Métis group at this time is the historic Métis communities. The minister indicated that research was being commissioned in conjunction with the federal government to the number of historic Métis communities. And I'm just wondering if a determination has been made and if there is a set number, or if you're still doing some work on it.

Ms. Sanders: — Thank you. Maybe I can speak to that. The research was done through the Department of Justice and our department supported it. And I don't think conclusions were necessarily drawn.

It's useful work that will be of assistance when it comes time for a registry. It's useful work when it comes to analyzing the Powley rights.

We've tried to not draw firm conclusions in the absence of having a Métis-elected partner that would engage in that with us. So it's useful. It's what we're using in government for now, but I think that we don't want to draw all the conclusions at this point without having the Métis involvement at the leadership level in working those things out.

Ms. Draude: — I understood you to say that the work was done mostly through Justice. So was it Justice that paid for the work? Did First Nation and Métis affairs pay for any of it, or are you aware?

Ms. Sanders: — We paid for some of it I think in the past fiscal year.

Ms. Draude: — Can you tell me how much the amount of that was?

Ms. Sanders: — I don't recall now. We can get that information for you.

Ms. Draude: — I appreciate it. Okay, I'm going to move on to another area. I know at the beginning of the year, our leader had indicated, actually had brought forward a Bill proclaiming or asking that 2006 be proclaimed the Year of the First Nation and Métis Child. I know that last year your department proclaimed 2005 as the Year of the First Nation and Métis Women. Is your department contemplating looking at proclaiming this the year for the child?

Hon. Mr. Sonntag: — Well proclamations like that aren't

made through our department. They're traditionally done either through the . . . I don't know if it's done directly through the Premier's office or through the minister of, the minister responsible for the provincial secretariat.

Ms. Draude: — So then are you pushing for it? And I guess I would think that your department would be interested in it. It would seem to be a natural follow-up if we have a year that's proclaimed for our women and the fact that we have a large number of First Nations and Métis children that are . . . The number is growing significantly. And it sends the signal that they are very important to Saskatchewan. I would think that this would be a great signal to send. What is your department doing to work on this issue?

Hon. Mr. Sonntag: — I mean we're certainly aware that the FSIN has I think passed legislation doing exactly that. We've made the other provincial office aware of this. I think we recognize it. I mean whether there's an actual proclamation, I think we all recognize the importance in the future of our province is entirely contingent on the success of Aboriginal children and Aboriginal young people.

But in terms of the actual proclamation, as I say again, this department doesn't do that. Those who make the proclamation are aware of it, and the discussions I think are . . . There are some discussions taking place. I don't know where it's at in terms of . . .

Ms. Draude: — I think that last year the government was very pleased to ensure that every First Nations woman in Saskatchewan was made aware of the fact that they had proclaimed the year for them. I would think that if it's . . . In fact I think it's probably coincidental that the government brought forward their Bill just one day after we introduced ours.

So I would think that it would be something that your government, your department could be working on right now. I don't think it's good enough to say that people know about a proclamation. It would give us an opportunity not just within the school system but province-wide to let people know that it's an important issue. The votes in the House now are very close and if you're asking if we'd support it, yes, we would. And I think it would send a great signal that we're going to . . . that we'd like to work together on this issue. So I would really wonder why it wouldn't be looked at.

Hon. Mr. Sonntag: — Well as I say, I think there is consideration of it. This department though again can't make the proclamation. Just on one . . . I think it essentially means the same thing so maybe the clarification at this point is unnecessary, but it's not a Bill specifically; it's just a proclamation by the Premier or by the Provincial Secretary.

Ms. Draude: — Whatever it would take I think it would send a wonderful message and I think that when you look that we have 27 here, it would just take a couple of members on that side to ensure that it would go through. And I would suggest that it would be a great thing to do this year. So I guess I'll just leave it at that. I would . . . My colleague just suggested maybe you could support our Bill. It would only take two members from the government side of the House and that would send a great message as well.

Mr. Minister, a couple of the questions that I asked last year I'm going to go back on before we start some of the economic issues. And that was last year Saskatchewan institute of Indian technology developed a program that was actually used nationally for education on the drug crystal meth. I was and I believe some of your members were at the announcement of this program in Saskatoon last summer. And I'm wondering if there was any money put into this program from the province.

Hon. Mr. Sonntag: — Not specifically through our department, no.

Ms. Draude: — Again I think, I believe that the work that they did was phenomenal. It's something that was looked at . . . The federal government or Health Canada has a copy of it and are using it in a lot of their work. And I was really proud of SIIT [Saskatchewan Indian Institute of Technologies] for doing the work that they had and sort of taking on the issue that was really on the mind of a lot of people in the province. So I'm hoping that this government has recognized them in some way taking on this initiative.

Another question that I asked last year was on Saskatchewan protective services academy that had requested funding from your department and finally set up in, I believe near James Smith Reserve. And I'm wondering to your knowledge if they're still operating and if there was any provincial money put into that proposal.

Hon. Mr. Sonntag: — Sorry. I remember the discussion last year. I don't remember the question specifically. I don't think our department . . . Even though you in your preamble said that our department has specifically been requested funding for that, I'm not saying we haven't been, but I don't . . . anybody here has a recollection of our department having been asked for funds for that project.

Ms. Draude: — Actually last year I did bring the issue forward to you directly, and it was an organization in Prince Albert who were trying to get a Saskatchewan protective services academy helping First Nations people into the workforce by offering them training in firefighting and emergency medical services. It was an organization that had trained 24 First Nations individuals and had graduated 24. And they were looking for an organization to help them.

And I had given the minister a copy of their proposal, and later on I did read an article in *The Melfort Journal* saying that they were talking about doing some work with Kinistin, English River, Piapot, and Yellow Quill. And I'm wondering if your department worked with this group of First Nations people to set up the program.

Hon. Mr. Sonntag: — Again, I mean, I remember very well the proposal that you passed on to us. That is exactly what the role of this department is. It is to work with organizations like that to access all the different departments that might be of assistance to them. And that's what we did.

We passed this on and had discussions with I think a number of departments. I would presume it would have included Justice, maybe Corrections as well — I'm not sure — and probably, well it's changed now but Education . . . or Learning, I should

say at that time because at that time it also housed advanced education. So I think all of them will have received the proposal and at least had discussions with the organization.

Ms. Draude: — Okay, thank you. I understand when some of the work is done, as you indicated, through the various departments, it's difficult to keep a handle on it. But it would have been something that I think your department could have taken a lot of pride in because it was . . . it would have made a difference.

Last year we also talked about student identity numbers for tracking students on- and off-reserve, and I know that we talked about this in Learning but I also brought it up to your department because it was an issue of tracking on- and off-reserve. Has your department any indication of whether that has been put into place?

Hon. Mr. Sonntag: — The answer to that question is no. Our department has not specifically done anything in that regard. That would be again traditionally work of INAC [Indian and Northern Affairs Canada], and I think if we were looking for some of the numbers we can probably get their best information. I'm not even sure how well they've tracked that so far.

Let me add actually — that's an important point that my deputy makes here — with the census that is taking place on May 16, I think that is information that will be updated and will be quite helpful for both provincial and federal governments.

Ms. Draude: — I'm not sure what you're referring to about the date of May 16.

Hon. Mr. Sonntag: — May 16 is the day of the census and that specifically tracks where you live and so that will be updated information. Specifically the question your asking, will update the information for the federal government, and I'm suspecting that's information we can access from them.

Ms. Draude: — Thank you, Mr. Minister. Now to go back to some of the comments that you'd made earlier. Both last year and again this year you talked about self-government remaining a priority of the Government of Saskatchewan and that you were continuing to negotiate with Meadow Lake Tribal Council. Why specifically the Meadow Lake Tribal Council?

Ms. Sanders: — It's the federal government of course that establishes the self-government tables and we take an active part as well. And in Saskatchewan there were two tables established a number of years back, one for Meadow Lake Tribal Council which at this point is the Meadow Lake First Nations rather than the tribal council as an entity, but it's still the same grouping. And I think it's because historically that was the group that organized and approached the federal government and got the approval to go ahead. And the FSIN one was in theory representing everybody else, and that one is a little slower going right now because they're broader issues to work out.

Ms. Draude: — Thank you. We also talked about fulfilling obligations to the TLE and last year there were 21 of the 29 First Nations had achieved their shortfall entitlement acreage. Is

that number still the same?

Hon. Mr. Sonntag: — Yes, it's still the 21. And in my opening remarks, I don't know if you caught it or not, I went through a number of things. But one of the things I said earlier are for . . . Some of the new funding in our budget is for four more treaty land entitlement processes that are taking place with . . . If you want me to list them again, I can. They're Pasqua, Muskoday, Sturgeon, and who's the other one . . . Gordons First Nations.

Ms. Draude: — I do have those but I also was going to ask you — an article on both February 15 and March 1 talks about the Pelly First Nations hay land claim. And I'm wondering if the province has any dealings with this claim.

Hon. Mr. Sonntag: — I think what you're referring to is a specific claim versus a treaty land entitlement.

Ms. Draude: — I wasn't aware whether there was a specific claim or a TLE and I guess that was my question. Is this a specific . . . I know if it's specific then it's just a federal issue, but I know it deals with Cote and Key and Keeseekoose is the other one.

Hon. Mr. Sonntag: — Sorry, I hope I'm answering the right question here. I'm getting advice at the same time as you're asking the question. So the answer is, it is a specific claim and it is being negotiated between the specific First Nations and the federal government.

Ms. Draude: — It is a lot of money and I know that, I believe it's around \$79 million. When this agreement comes through, the province doesn't have anything to do with it at all? And my second question is, does the tribal council that these nations are involved with, do they have anything to do with this?

Ms. Sanders: — I can just update that there is land involved. There would be a process related to TLE at the conclusion of this negotiations, but we're not part of the negotiations. And it's the case with a number of the matters that start out . . . I guess I'm also thinking with the Indian Claims Commission, that depending on the outcome of some of those there would be additional TLE, but they aren't in our process yet.

Ms. Draude: — So the increase in money that was, I notice in the budget this year, none of it will have anything to do with this claim at all?

Ms. Sanders: — It's specifically for the four that are under negotiation right now and in anticipation that they would settle during this year, and initial payments be covered.

Ms. Draude: — Then we would be up to 25 out of 29. So then the rest of them, are negotiations started on the other five?

Ms. Sanders: — These are an additional four beyond the 29. So, you know, if those ones settle next year, then there'll be 33 that are with the negotiations concluded. And then their land acquisition process under way so . . .

Ms. Draude: — So how active are the other ones that we're working on right now? How close are they to being able to be signed?

Ms. Sanders: — We're optimistic that they'll settle this year. Again it's a negotiation where the federal government is kind of the lead, but we're very much there as well. And we are optimistic on them settling that this year. And that's why we allocated money in the budget to do that.

Ms. Draude: — With the change in the federal government, and I don't know if I'm going to get into the budget at all, but I do want to know if there's any indication that there'll be any changes. Now first of all with the new government and because of the budget, will there be any changes in the way that the TLE settlements are made?

Ms. Sanders: — Well if I could address the four that are under negotiation right now — just to be clear those are the ones I was referencing a moment ago — our understanding is there's no change in the federal negotiating positions there. And we've had that clarified at the senior levels within the Department of Indian Affairs.

Ms. Draude: — Okay. Okay, and so that would mean that there's no indication that they are trying to fast lane anything or make any changes.

Ms. Sanders: — Well with those four they are well along in the negotiation, and I think they, like us, are optimistic that the negotiations will conclude this year. That's not by any change in process, but simply by working along and finishing the negotiations that are well along.

Ms. Draude: — There was a new federal minister as of January. I would imagine as minister you've had an opportunity to meet with him. Do you have any indication that anything is going to change in the relationship between the federal government and the provincial government now that there is a new minister in place?

Hon. Mr. Sonntag: — In fact I have not met with him. We've spoken at length several times over the phone. It's just been a circumstance of him coming into the file and essentially having very little time to meet as he was establishing the ministry. And then with us going into session, it became impossible for me to leave the legislature to go down there. So they are working towards a meeting.

But having said that, we've worked fairly closely actually and had, as I said, several fairly lengthy conversations. So at that level the relationship is not bad.

Has the circumstance changed at all? Well I think it has in some ways from this perspective. He, the minister, Minister Prentice, is aware that we have fairly significant concerns about the implementation of the Kelowna accord. I think that is a very significant issue for First Nations in Canada but I'm, as the minister responsible here, most concerned about Saskatchewan First Nations.

We've been very clear that we feel that the agreements that were made there are important to First Nations in Saskatchewan and that they should essentially be moved forward as agreed to at that point, and I think we're yet to see how that's going to roll out. And I'm a bit concerned given what took place in the budget of a couple days ago.

Ms. Draude: — From your perspective can you tell the people of Saskatchewan what you believe happened to the First Nations in Saskatchewan because of the budget?

Hon. Mr. Sonntag: — With the recent federal budget?

Ms. Draude: — Correct.

Hon. Mr. Sonntag: — Well I think there was an expectation, first of all, speaking at a fairly high level — simply without going into the detail, a lot of which we don't yet fully comprehend — there was an expectation that the level of funding in the budget as it relates to agreements in the Kelowna accord would be significantly higher than was allocated and I think that's been spoken to a number of times by First Nations leadership in the last day.

Ms. Draude: — I also had some indication that some of the money that has been earmarked to go to off-reserve housing is going to be going through the province — that there would be more money coming to the province through this latest budget. Is that what you have determined as well?

Hon. Mr. Sonntag: — I don't think we could speak to that with much authority yet until we have detail. We've heard some references to that but we don't have that detail yet.

Community Resources might have more information than we do right now, but I think it's fair to say even . . . I suspect even they don't have the detail yet. There was a lot of information rolling out even yesterday and today, just days after the budget. But again there's not the detail yet that I think that we need to provide an answer that is very clear for you.

Ms. Draude: — I guess I have to come back to what we started at this afternoon and that is the fact that your department is responsible overall for First Nations and Métis people and yet even the federal government deals with different departments within government that you're not aware of — not that you're not aware that they're dealing with them, but the amount of funding that comes and negotiations that are going on are going on with different departments. And to pull it all together, is that your mandate? Or do they work with each department individually, so that you're not aware as minister of all the issues that are happening to First Nations and Métis people?

Hon. Mr. Sonntag: — No, I think if anything, I'm saying I'm giving the federal government a little bit of a free ride in my answer, from my perspective. In trying to get that information, it's not at the provincial government level that we're not able to pull the information together. This is a general statement, but with the centralization of authority in the Prime Minister's office, I think it's fair to say that many of the departments at a federal level don't have the detail of the budget that they want. And they're sorting out exactly what the budget means for them before they can tell the provinces exactly what it means to them. So we're waiting for the information from the departments federally yet, who don't have exactly what it means for them.

Ms. Draude: — Thank you. And maybe the next time we have an opportunity to speak there'll be more information; we'll be able to discuss it a little further.

I need some information on the urban Aboriginal program. We talked about it last year just a little bit, and I am not exactly aware of what's happening in this area. Can you give me an overview?

Ms. Sanders: — I can speak to that. That's a program where our department provides funding to community-based organizations in Prince Albert, Yorkton, Regina, Saskatoon, North Battleford, and I think those are the ones. And there's also funding to a Métis organization as well.

And the funding goes, like in Regina, it's to RTSIS [Regina Treaty Status Indian Services] which is through the tribal council. So it's that kind of community-based funding, and if you take that as an example, the kind of work that goes on out there, it's helping people with employment counselling. It's helping people with a whole range of needs in interacting with government, in interacting, touching into how to get training, and all those kind of advice and so on. It's sort of a broad-ranging support.

The funding we provide to any of those doesn't fully support those programs but it does support a part of them, and we're proud of that. It's an area that we're trying to support organizations that are addressing needs of that very large off-reserve population and the challenges that they encounter when they are in an urban environment.

Ms. Draude: — Then is there a mandate for this program that would mean that every area can allocate the money in the same way or is it just a fixed amount of money that the CBOs [community-based organization] can determine how to spend, depending on the needs?

Ms. Sanders: — Well ultimately they make the decisions but we have a framework of expectations with them as to the kinds of things that they're doing. And because of the amount of our funding, it's not that we're . . . We can't be fully directive in everything that they do because we're funding only a portion of what they do. But there are similarities in the work being done in the different places.

Ms. Draude: — Last year you had indicated that they would each be receiving \$30,000. Is that about the amount of money that each city receives?

Ms. Sanders: — It actually may be a little bit less this year because of the other pressures on the budget but that's one of the areas where there will be a small amount of a cut but spread amongst the different agencies.

Ms. Draude: — Do these different areas know how much money they're going to receive this year? Were they given that amount in the budget?

Ms. Sanders: — I don't think they would have seen the detail at this point because the budget hasn't been approved and so on at this point.

Ms. Draude: — So do they have . . . Can you give us an idea? Is it a 10 per cent cut? Is it a 20 per cent cut, or what? How much money would they be looking at?

Ms. Sanders: — About 5,000 each.

Ms. Draude: — So for each one of these CBOs \$5,000 is a, you know it's a considerable amount of money then. I know there's that extra money that came in this year through gaming and there's . . . That does go to a different initiative. I know that goes through the CDCs [community development corporation] and Community Initiatives Fund. But it's hard to measure the work that a CBO does but we do know that they can squeeze every penny until it cries and they're good at their job. Why would your department have considered this would be a good area to have cutbacks?

Hon. Mr. Sonntag: — I think the short answer exactly is that there's never a good area to sort of necessarily to have reductions. I think we identified as a priority the Aboriginal employment development program and we felt that was, if we're choosing priorities that would, while at the same time maintaining pretty much . . . Although I mean I acknowledge it's roughly \$5,000 less. That while maintaining a fairly significant level of funding for the strategy of identifying, by increasing the Aboriginal employment development program to the degree it was increased, that in many cases we would more than offset the concerns that would be addressed by the same individuals in an urban setting.

Ms. Draude: — But your ministry had determined that there was a need to have four more staff in Regina. And I don't think you would ever find anybody on this side of the House thinking that CBOs don't make very good use of their money. This other program is again something that's managed by the department and administered by the department. And if you go out to the CBO area, most of the people that are making those decisions do it either on a volunteer basis or for very, very little money.

I would think that to put some of the money into those areas would, if there was a way to measure outcomes you would find that it would be able to make a huge difference. So I would question whether putting money into the other program, whether it would make as big a difference.

Hon. Mr. Sonntag: — Well I can just say that there are now 69 partnerships that have been signed. There have . . . as a result of those partnerships have employed directly over 2,000 Aboriginal people. Probably many more indirectly but directly it's over 2,000, many of those in urban settings. I wouldn't want to say the majority because I don't know that for sure. I suspect it would be the majority.

In addition to that, we believe through the Aboriginal employment program we have made many, many workplaces much more culturally aware than they were in the past. And I think if anything that's maybe the most important component.

I don't think that in any way diminishes the importance of the CBOs that you identify. And I mean if we could fund everybody that are doing the work, that are doing good work like the CBOs, I think we would. We recognize that in government you have to make decisions about priorities some time, and we felt — whether right or wrong — we felt that that was the right priority.

Ms. Draude: — Thank you, Mr. Minister. Last year there was

633,000 acres that attained reserve status. Can you tell me how many there are now?

Hon. Mr. Sonntag: — As of March of this year, we're at 665,630 acres.

Ms. Draude: — And is there an indication, or has there been some forward planning on how many acres do you think will be put into reserve status this year?

Hon. Mr. Sonntag: — Yes. I think it's fair to say it would be impossible to predict that right now.

Ms. Draude: — And also can you tell me how many acres are given from wildlife protected lands?

Hon. Mr. Sonntag: — The Department of Environment would have those records. I'm sure that if you asked them . . .

Ms. Draude: — Thank you. Mr. Minister, yesterday I had the opportunity to speak to the Minister of Culture, Youth and Recreation, and he told me that there was, through the Aboriginal employment development program that there were jobs funded through that program within the Department of Culture, Youth and Rec. Can you tell me how many jobs this program funds within government or a government entity of some sort?

Hon. Mr. Sonntag: — I think there's a misunderstanding. We wouldn't fund for jobs directly. This is with unions and municipalities, school divisions, health organizations. That's who the partnerships are with. There wouldn't be funding directly to another department. I haven't seen the context of what the question was, so I'm not . . . But we don't do it into departments of government.

Ms. Draude: — And to clarify, Mr. Minister, I think there was an individual that was hired through one of the museums and is doing some work with one of the museum service through the program. And I maybe even can tell you what he told me yesterday. The director of the Royal Saskatchewan Museum, one is a permanent part-time individual who is being funded by youth and policy branch; another First Nations lady is funded entirely by the Aboriginal . . . I can't remember the project. It's the Aboriginal employment development program to develop the skills of people in the workplace.

Hon. Mr. Sonntag: — I guess the only thing I can say is we'll look into it. I'm completely unaware of this.

Ms. Draude: — I thank you. I appreciate it if you do because if you look into it could you find out if it's happening in other areas as well? I just would like to know.

Also last year you had talked about the partnerships that were assigned. Last year was 67. I just heard you say 69 now. And at one time last year you also indicated that you would give me a list of them, but I never did receive the list of them. Can you tell me how many of these partnerships are within the private sector?

Hon. Mr. Sonntag: — Five are with the private sector.

Ms. Draude: — So the rest of them are either government agencies or unions or . . . How quickly could I get a copy of them so that I could take a look at them?

Hon. Mr. Sonntag: — Mr. Chair, just a clarification. There's a request for information. Do we need to pass that . . . I don't know how . . . Does that have to go through the Chair?

The Chair: — Yes, it does.

Ms. Sanders: — Just for the record it's a list of the Aboriginal employment development partners as of January of this year.

Ms. Draude: — Thank you. Thank you. The First Nations and Métis economic development fund, I have a number of questions on that area. We talked about it when it was released in October 2005, I believe is when the news release came out. Is that correct?

Hon. Mr. Sonntag: — I didn't know . . . I thought you were halfway through the . . . I'm waiting for you to finish the sentence. Maybe I didn't hear the answer.

Ms. Draude: — I believe there was a news release announcing this Saskatchewan First Nations and Métis economic development program in October 2005. Is that correct?

Hon. Mr. Sonntag: — Yes. Sorry, I didn't hear that last part.

Ms. Draude: — Thank you. And then we're aware that it took quite a while before there was actually program details set out. I believe that was into March and there was about \$550,000 to be spent this year. Was that money spent in the last fiscal year?

Hon. Mr. Sonntag: — First of all for clarification, the news release was to announce the program and get together the partners to administer the programs. It wasn't specifically to say you can now apply. But in the last fiscal year, '05-06, so to March 31, 2006, the total amount paid out was \$303,300.

Ms. Draude: — So the applications that came in from the beginning of March to the end of March, were all of those applications approved?

Hon. Mr. Sonntag: — From the middle of February to the end of March actually, they were receiving applications from the middle of February on. I might get some further clarification here, but I think the answer is obviously no, we don't approve every application. It had to meet the criteria and the conditions of the program.

Ms. Draude: — There must have been some business plans sent to the department before all the applications were finalized because I know from discussions with you that it was later than the middle of February when I was making my treks into Regina to get a copy of the program.

Hon. Mr. Sonntag: — I think we're just . . . There was a matter of days there. I think you were probably coming in about the, just before the middle of February — and I don't know that, I'm just going by advice here that — and it was just a matter of a day or two later that the details actually went out.

Ms. Draude: — So it has a \$5 billion budget and it expires in 2009, is that correct?

Hon. Mr. Sonntag: — I think that's right, yes.

Ms. Draude: — Is there a certain amount of money that's going to be given out annually or does it depend on the number of applications?

Hon. Mr. Sonntag: — It's 1.5 each year from now on.

Ms. Draude: — So if that isn't spent in that year, will it be spent in the next year?

Hon. Mr. Sonntag: — I don't think under the budget process we can guarantee that but I can tell you that the applications far exceed the . . . Right now anyway I anticipate the applications would far exceed the funding that is available.

Ms. Draude: — I'm obviously not fully aware of the way the budget process works but just a few minutes ago we talked about not having enough money for some of the CBOs and yet you ordered 300-and-some thousand . . . 350,000 was spent last year in this program. Is there any opportunity for the money that was not spent last year to be given to the people like the CBOs that never have received enough money?

Hon. Mr. Sonntag: — Well under the current budget process the answer is there is not. I think again and I mean each year we go through the budget process and try and identify the priorities. We were acutely aware of the discussion we just had a few minutes ago and if there is flexibility later on in the year, these will be issues that I will again be raising with the Minister of Finance and with the Department of Finance. But as it stands now under the current circumstance the answer is no, that it would not be available for that.

Ms. Draude: — So I guess this will be a question I have to ask the Minister of Finance but obviously then there was over \$150,000 that went back from this department to the General Revenue Fund because it couldn't be spent before the end of March. Is that correct?

Hon. Mr. Sonntag: — That's the way it works in the budgeting process when there's funds. They just remain in the General Revenue Fund.

Ms. Draude: — I just pulled that number out of the air. Can you tell me exactly how much money went back from this department to the General Revenue Fund because it wasn't spent last year?

Hon. Mr. Sonntag: — 196,700 — 196,700.

Ms. Draude: — Okay. Just give me a minute, okay. Can you tell me, I know that there is the two different groups, Saskatchewan Indian Equity Foundation I believe and Clarence Campeau Fund that make the decisions on who gets the . . . who takes the applications and make the decision on who is approved. Is that correct?

Hon. Mr. Sonntag: — The Saskatchewan Indian equity fund makes the recommendations and so it's not their . . . They don't

have the absolute, they don't have the authority for sort of signing off. But that's where the expertise lies in doing the analysis. So they have the Saskatchewan Indian equity fund will deal with the First Nations applications and the Clarence Campeau Development Fund will deal with Métis applications, and then this 20 per cent remains within the Department of First Nations and Métis Relations largely for business plans and developing proposals on business initiatives.

Ms. Draude: — For people who have put in an application without the business plans? Or for what business plans?

Hon. Mr. Sonntag: — Yes, if . . . we would have a bit broader in the department . . . Maybe I should have somebody who knows a bit more than I do, but let me try and I'm sure I'll be corrected if I'm not quite right here, but the department will have a little bit broader mandate in that, first of all, we would deal with First Nations and Métis applications. We'd deal with everything. And if there's a proposal that's brought forward that doesn't quite fit the criteria distinctively of First Nation or Métis, or clearly falls to SIEF or the Clarence Campeau fund, and might need some seed money or might need some funding for developing a business proposal that within the department's view is a good initiative, we'd provide some of that funding for them. But if it was clearly an application that should have gone to SIEF or Clarence Campeau, we'll just redirect them right back to both of those organizations.

How was that? I should have added — they actually are telling me one more thing — and for feasibility studies as well on different initiatives. That's an important point to make as well. And maybe that's where quite a bit of the funding would actually go.

Ms. Draude: — Is there a company or consultant that you use to do the business plans or the feasibility studies within your department? Or is it contracted out, tendered out? How is that done?

Hon. Mr. Sonntag: — That would be up to each applicant. All I'm saying, we'll provide the funding if it's clear that in our view it's a good idea that has potential for employment of Aboriginal people. We'd provide some funding for the development of the business plan or for a feasibility study, but that's entirely up to them how they come together with that funding.

Ms. Draude: — I thank you. Twenty per cent of the 1.5 million, and I'm not real good at math, but over 250,000 would be left in your department for administrating it. If that money isn't all used, will that also be divided out between the two different organizations so it can be spent this year?

Hon. Mr. Sonntag: — For clarification, that's not for administering the program. Those funds are very specifically . . . They'll go to individuals and organizations. None of that is for administration.

Ms. Draude: — Okay. So if it isn't for administration, if it's not needed for the development of business plans or feasibility studies, will it be sent over to the two different organizations to also be given out as loans?

Hon. Mr. Sonntag: — I can't imagine we're going to have that problem based on the early responses, but we'd need to sort that out. I think it is clear though that the department and our government will want to get that funding out. But again, just based on the inquiries, I just can't imagine that we're going to be sitting with money left over at the end of the year, not knowing where it's supposed to go.

Ms. Draude: — And I'm going to ask one more question before my colleagues have a couple of questions. I guess I have two.

First of all, how many applications were approved? You told me it was 330,000 I believe. How many applications was that?

Hon. Mr. Sonntag: — Ten.

Ms. Draude: — Okay. And can you tell me . . . There's probably the same type of criteria used by both of the funds to evaluate the projects. Can you give me an idea of what the criteria is? Was it the number of jobs created, the total investment, the community benefit? How is an application determined to be a good one?

Hon. Mr. Sonntag: — The sectors of the economy that are targeted are Aboriginal themed tourism, manufacturing, energy, value-added agriculture, mining, and forestry. So those would be the sectors that would qualify for seed money to purchase, expand businesses that currently exist.

Ms. Draude: — Is there any criteria around creating jobs?

Hon. Mr. Sonntag: — Sure. It's a priority. And obviously it needs to be a viable business. And that's why we've got SIEF and Clarence Campeau doing the analysis on the specific applications.

Ms. Draude: — Thank you.

The Chair: — Mr. Brkich.

Mr. Brkich: — Getting back to the AEDP partners that was put out, I see that they partner with the unions. Can you explain that a little bit?

Hon. Mr. Sonntag: — Sure. The partnerships that are signed, as I said, are quite often a tripartite agreement. Quite often they'd be between the union and a . . . Well, I mean, a typical one that I could think would be a health district or a school division and the department. The partnership would, a big part of the partnership is about ensuring that the workplace provides . . . And that's where some of the funding comes in is for to make the workplace culturally aware.

So while we don't in the agreements dictate specific quotas that need to be attained, we educate the workplace so that there is an awareness of what a representative workforce would be. And in most circumstances, that goes a long ways to ensuring that there are more Aboriginal people hired in that specific workplace.

So I think that kind of generally answers what you're asking. If you need further clarification, just ask me.

Mr. Brkich: — Yes, because under public employees and organizations, the health districts are already, you have that listed already. But then on the back page you have unions again as another partnership, so you've mentioned them like twice. So I can understand the health district and with that, like on the first page. But then on the back page you have just unions themselves that you've partnershiped with. That was circulated to the members.

Hon. Mr. Sonntag: — I'm not sure exactly what you're asking. I mean, they are a key partner, the unions, in the Aboriginal employment development program. So just like a school division or a municipality, they are a partner. In many ways they're often a key partner, because the collective agreements that are in place quite often make it difficult to bring in Aboriginal people into the workplace. So it is very important that we have many of those unions as partners and they've been very good in the last while about signing into this.

So I may not be understanding your question specifically, but they are as important as anybody else as a partner in signing these agreements. I think that's the answer to the question.

Mr. Brkich: — I guess just a little more background information on the way you partner. I'll just start with a public employer or a private, it doesn't matter. There is I take it . . . Do you provide funding, direct funding to hire Aboriginals or is it more just for education?

Hon. Mr. Sonntag: — It would be almost exclusively for education. We wouldn't do the hiring. There wouldn't be funding for hiring at all.

Mr. Brkich: — Okay. So then that applies to all the organizations then. You just give them funding for . . . Would you educate like the CEOs [chief executive officer] or just education in the workplace for posters? I'm kind of just trying to get my head around how much money is given to certain organizations and exactly what they would do with it, and how they would do it as a bigger employer. Or even a small-business person may want to know how that maybe can be accessed.

I've got some small businesses in my constituency that, you know, may be interesting in partnering and wondering kind of . . . They would ask me and I would, right now I would say I'm not sure how that would work. So I guess it's some more background information on that is what we could start with.

Hon. Mr. Sonntag: — That's a very good question actually, and please do pass them on to us because I think we would be wanting to sign as many partnerships as we possibly could. I'm just going to answer one specific piece of the question and then I'll get the deputy minister to go into a bit more detail.

In terms of hiring individuals, I should clarify the answer to my last question. The only place where the funding would result in a hiring would be, for a short period of time an organization might request some funding for a hiring a coordinator to provide that education in that specific workplace. But it would be a short term and it wouldn't be a permanent position. Now in terms of exactly the other part of the question, I'll let Nora answer that.

Ms. Sanders: — I think one of the strengths of the program is that the agreements and the arrangements are tailored to each workplace. The ideal thing is in a unionized environment where you have both the employer and the union as part of the agreement, because that makes it work best. As to a big or small workplace, the arrangements will be tailored to it.

But what they do is, once they've signed it there's some analysis done as to what the needs are in that workplace. Are there barriers? What are those barriers? How to address those barriers? Whether it be for training for management, whether it be by needing a coordinator for a period of time to get it going, whether it be to institute training programs for Aboriginal staff they already have who aren't getting advancement opportunities, whether it be particular recruitment initiatives, whether it be going out and approaching training sectors where there are students that maybe don't know where to go to find the jobs — so all those different things how to connect.

And I think increasingly the program is also looking for ways to have various organizations working together in one workplace or in workplaces within a region, to try to strengthen the support that is available for Aboriginal people who want to get into the job market, want to have advancement, and to effectively change the nature of the workplace so that it's a comfortable working environment.

Mr. Brkich: — Thank you. How much money are we talking would be spent on this particular program?

Hon. Mr. Sonntag: — This year's budget is 716,000.

Mr. Brkich: — Do you have a breakdown? You have the list broke down here in public employees and organizations, private employers, unions, and Aboriginal organizations. Do you have a breakdown along that lines of which money went to which, how much?

Ms. Sanders: — I think that we could do that. We don't have it today, but just to say that it relates a little bit to when the partnerships were signed too. Those that have been in existence for some time will already have done that initial work. They may not have direct funding going into them because they'll simply have our staff working with them on a monitoring basis or identifying of their needs. Those that are new and developing partnerships are likely to have the bigger expenditures.

So it's not so much by sector but it's more by the need, and by those needs that are tailored to each workplace. So it's based on numbers of employees but also the particular challenges in that workplace as far as recruitment or development of professional expertise in certain areas.

The Chair: — Mr. Huyghebaert.

Mr. Huyghebaert: — Thank you Mr. Chair. I just want to follow along a little bit what my colleague was talking about on the AEDP. And one of the first things that's quite glaring to me is there's 66 organizations that have formed a partnership and only five are private employers.

Is there any drive from your department to increase the private employers? Because when I look at this, and as the deputy

minister said, we're looking at training or putting people into the job market. Well it would seem that the focus directly is to the government job market rather than the private job market if you're tunnelling all of your efforts into public employee organizations, unions, and not the private sector. And I'd like to hear your feeling on what the drive is, why, and if you're going to be doing anything about it.

Hon. Mr. Sonntag: — Fair question. I think it is clearly an area that's been identified that we need to do a lot more work on. Having said that, in rolling out an initiative like this I think in all circumstances it's important that you get your own house in order first and in some ways that's kind of what is taking place.

It's difficult for us to say to the private sector that you need to have a much better representative workforce when I think it's . . . While government has worked hard at that, many of the organizations that you see before you have not achieved a representative workforce either. So the strategy and the efforts have been and the highest priority has been on areas where we think we could make a difference early on. And as I say, part of it's getting our own house in order first. But now clearly the priority will be to work with private sector organizations.

Mr. Huyghebaert: — And a follow-on question then. How long can these organizations be on the program? Are they reinstated every year or are they on ad infinitum? Or what is the criteria?

Ms. Sanders: — I think once they've signed an agreement it continues. We don't necessarily sever them at a certain time, but as I was mentioning the nature of the relationship may change once they've been through that initial training or workplace analysis. Then it's probably more of a ongoing monitoring and if they identify needs that we assist them with it.

So they're still partners because part of being a partner is that they've implemented and they continue to use certain practices in their workplace which are different from what they had before the partnership. But they may not be receiving the same level of either resources or attention from our department. The notion of it is that that workplace in itself develops those abilities to do these things without the outside monitoring and support after a while.

Mr. Huyghebaert: — I want to go back again to what my colleague was talking about and there might have been a misunderstanding when he was referring to the unions. And I understand fully the employment development program. When you start looking at the health districts we know that they're unionized. When you go to some of these other ones we know that they're unionized; we know that. But when you look at under the unions themselves, there's 14 separate unions that are listed as partnerships. Is this for training within the union office?

Hon. Mr. Sonntag: — I think again I'll have the answer supplemented if it needs to be here, but the answer is both. It would be in the office. But this identifies the partners. These two pages identify the partners that have signed the agreements. And in addition to in the office itself, it will most likely be in the workplace where these different unions have employees

working.

Mr. Huyghebaert: — Well I guess my point was if it's for within the union organization itself. And I'd like more of a definitive answer. Is it yes, that somebody in the employment program, Aboriginal employment program . . . And pick one of them, one of the unions because the unions that are listed, the 14 listed here are represented on the 40 that are listed here, I think in total. So therefore although you're indicating that there's a partnership with the union, it's already covered in the 40 listed.

So to me as a person looking at this, I would suggest that it appears that you've got an employment program within the structure of the union itself. For an example on union of nurses — and that's an agreement that is there, union of nurses — well if somebody is going into the employment program, is it in the nursing field or is it in the union office? And that's what I'm getting at.

Ms. Sanders: — I think it's an excellent point and my sense is it's intended to be both. In other words, if the union members and the union leadership want to have their members in a particular workplace actively taking part, sometimes that does require changing the way the leadership of the organization thinks or their management office thinks. And so they are having some attention within the union to cross-cultural training and those kinds of things can very much be a part of it.

As I say, it's an individualized plan in each case but it is aimed at trying to . . . If you're changing the culture, it involves changing the culture of the players, not just the employer but also the union; not necessarily just the union members that are right there in that workplace, but maybe their leadership as well. So it's all part of it, getting that buy-in.

Mr. Huyghebaert: — And so the training funds would actually go in some of those cases then, the training dollars would go directly to the union to have one of these or some of these people in there, correct?

Hon. Mr. Sonntag: — That's right. It could in some cases, yes.

Mr. Huyghebaert: — Now does it not seem odd to the minister that he just identified a few minutes ago that we want to get our own house in order, so that's why we've got 40 listed. But now it seems really odd to me because unions are not really part of your government, where the other, like the health districts, are. But we've got 14 unions in this partnership and only five private organizations. So the emphasis again . . . I understand you say you get your own house in order and then we'll work into the private sector to try and get the program working. But we've already covered 14 unions. It just seems a little odd to me and I wonder if you'd comment on that.

Hon. Mr. Sonntag: — Yes I will, but I guess I would respectfully disagree. I think that it is important that we get our own house in order. In saying that I guess I'm not specifically referring to the unions when I said that, though I . . . What I'm saying is, that we do now need to focus more on the private sector. The unions, the same as regional health districts, the same as municipalities, are all important partners and players in ensuring that we have a representative workforce. And by

saying that we need to get our own house in order, all I'm saying is that there's been a dramatic improvement in that now and I think now we need to focus on the private sector. I don't know if that answers your question or not but . . .

Mr. Huyghebaert: — I'll turn it over to June.

The Chair: — Ms. Draude.

Ms. Draude: — Thank you very much, Mr. Chair. I'm just going to ask a couple more questions. You had indicated earlier there was about 2,000 people I believe that were actually employed through this program.

Hon. Mr. Sonntag: — I was a bit conservative. It's actually 2,300. Oh forgive me, I didn't mean I was a bit Conservative.

Ms. Draude: — That's good. I don't think there's any doubt, Mr. Minister. How long have some of these people been on the program?

Hon. Mr. Sonntag: — For clarification this is since the beginning of the Aboriginal employment development partnership. Now these are people that have been hired in the different organizations. They're not necessarily specifically on the program now. These are hirees as a result of that workplace being more culturally aware and recognizing that there needs to be greater representation of Aboriginal people in their workplace.

So we're saying that as best as we can, and I think it's fair to say that there will be a number who will be indirectly hired as well, but these are by our measurements people who are directly hired in those workplaces as a result of this program having been assigned with those particular partners.

Ms. Draude: — Okay. My question is . . . And I'm trying to determine if they're hired. I'm not sure what year the program started. Can you maybe first of all tell me that?

Hon. Mr. Sonntag: — 1992.

Ms. Draude: — 1992. Of the 2,300 people, would many of them have been subsidized or their wage been partially paid for at least for more than five years?

Hon. Mr. Sonntag: — For clarification this isn't about subsidization of wages. These are those separate organizations, and partners I should say, who have identified that as a result of signing the partnership they've now hired an Aboriginal person in their workplace.

Ms. Draude: — So how much do they get for signing the partnership? How much money would be allocated?

Hon. Mr. Sonntag: — They don't. The only funding those partners get would be — and it'll be different from partnership to partnership — will be once it's agreed, it will be some funding for providing cultural awareness in their organizations. And so for a day of training or two days of training, or maybe they might identify that management needs to first of all go through a training process, if we'd provide some funding for resources to do the training to simply make them more

culturally aware. And then as a result of that, these 2,300, as we've identified since the program began in 1992, these different partners have hired those people in the workplaces. No subsidization of the salaries or wages for those employees.

Ms. Draude: — Thank you. And that does clarify it. So then how do you spend the \$775,000?

Ms. Sanders: — It is for, again tailored to each work environment, it's for cultural awareness training for the workplace. Sometimes it's for specific employment training for people who require that before they can advance into a position or be hired, or advance into a position like to support the training of the Aboriginal employee or potential employee. Sometimes it is for the placement of the coordinators in the workplace. And that's usually for a fixed period of time after they've signed an agreement, for the larger agreements that there would be a coordinator who would manage that process. And the plan is that the employer picks that up after a period of time, but initially we do. That's the kind of thing the money is spent on.

There've also been the kits provided for schools that set out what courses you need to take for different kinds of jobs, and the posters and those kinds of things. And they are provided to workplaces as appropriate. That kind of information, seminars, things that will help advance the workplace, but it isn't specific funding to help people hire those employees. It's the funding to help you make your workplace a good place to work as an Aboriginal person.

Ms. Draude: — Thank you. That does clarify. But I still need to know how you spend, is it 700-and-some-thousand dollars per year? Or is that how much? Okay, can you give me a breakdown of how that money is spent then?

Ms. Sanders: — I think it's just the things that I've just mentioned. We can give a specific breakdown, but probably not right here and now, but we can give that. But it's for the kinds of things that I've just said. And the 716 is this year's budget, so we're dealing with a larger budget than in the past and that's because of the demand through increasing interest in partnerships.

Ms. Draude: — And I don't think you should get either myself or my colleagues wrong. We do understand the importance and we really subscribe to the fact that employers all over should know about the opportunities we have. But when some of these details, ourselves we didn't know, so how can the employers and private sector people know what's going on?

The people that are employed to do the work — the consulting you had suggesting for example — are they First Nations people or Aboriginal people?

Ms. Sanders: — The coordinators, I think, most often would be. I don't know that it's a set criteria. Most of our staff in that unit are as well, but it's not a . . . There are others as well. So I think it's someone who can do the job in that workplace, but the priority is . . . And usually a First Nations or Métis person's more effective in achieving those results.

Ms. Draude: — I notice that there is three organizations, public

employers and organizations. Like I wonder, why would the Aboriginal workforce participation initiative or Aboriginal Government Employees' Network or Saskatchewan Indian Federated College, now called FNUC [First Nations University of Canada], why would they need that?

Ms. Sanders: — Without having the details of each of those agreements there, because some of them are ones that have been entered into over time, I think each agreement represents a participation in this program. It isn't all in the same way that the bulk of them are workplaces that are trying to get more Aboriginal people into those workplaces. Some like the SIFC [Saskatchewan Indian Federated College], now First Nations University, their primary role has probably been providing cross-cultural training. But I think as part of it they also sign on themselves that they're going to try to be that kind of workplace themselves. So each, each agreement has its own . . . is suited to the workplace and what the needs are in that particular place.

Ms. Draude: — So does anybody ever sign that is very interested in ensuring that the workplace is a First Nations, it is very supportive — do they every sign up without getting some funding?

Ms. Sanders: — I think some of them would sign up without getting any funding but they would all get something. It might be assistance of staff in evaluating their workplace, it may be a consultant or a contractor that comes and provides workplace training for either the management group or any group of employees. There's some result out of all of them but not all of them receive a cash amount. It depends on the size of the workplace, the particular needs there, and that kind of thing.

Hon. Mr. Sonntag: — Okay. I just want to add one thing. I don't think you've said this in your answer but just to more clearly understand, I think. Some of the funding might go to bringing an elder into the workplace so that they can talk about what it's like to be an Aboriginal person and try to find employment. So some of the funding would pay for that person's travel and for their, you know, for a day of . . . pay for a day's salary if you will. So we have a number of elders across the province that are used more frequently, and so that's the kind of thing that some of the funding would go towards.

Ms. Draude: — Another group of people that I know have a difficult time are First Nations students who come off-reserve and try and go to school and they're totally out of their element. I would think that having somebody like that talk to an employer and try and make them understand how difficult it is would be beneficial. Do you ever have young people that really maybe they have nothing but life skills to offer? Are they ever consulted? Excuse me.

Hon. Mr. Sonntag: — Well I mean I think it's a good point. It's the kind of thing that maybe should be done more often. We don't specifically in the department, we don't necessarily administer exactly how it's run but I think this is advice, good advice, that's worth passing on. I do say though that you'll notice that several of the school divisions have signed. And my understanding is that in those cases there sometimes are young people involved in the cultural awareness training.

Ms. Draude: — I just have to clarify, Mr. Minister, that when

you say there's 2,300 people that were employed because of it, they may still not all be employed because 1992 is a long time ago. And so there could be . . . initially because of the program maybe, but it's one thing to keep on adding the numbers up. But it really isn't sending a clear or maybe a correct message when it talks about how do you measure the outcomes. Well that's always difficult when you're talking about people.

But this probably isn't clarifying it because for people that don't understand the program, it honestly sounds like you've got 2,300 people on a payroll somewhere or it sounds like you've got 69 organizations that are going to the government for money to employ a First Nations person. I think that's unfair, not only to the employer but to the employee.

Hon. Mr. Sonntag: — You know, I mean it's fair enough. It's true. It's not likely that all of those are currently employed but those are the ones that were measured directly and I think there are quite a number of indirect ones that we are not accounting for.

In addition to that, I have indicated many times that while this is an important component, the hiring of Aboriginal people in the workplace, in my view — I guess there would be some who would disagree with me — but in my view, the most important component of this strategy is cultural awareness. And we always hope that it results in the hiring of more Aboriginal people in the workplace. But I think there's a bigger objective here and that's about more people in our province being culturally aware and sensitive to the many issues that affect First Nations and Métis people in our province.

Ms. Draude: — Probably most of that statement I would agree with, Mr. Minister, and we'll have an opportunity to discuss some of the issues a little further. I just have one question left for you today and that is, will the minister support the Bill for the recognition of First Nations and Métis children?

Hon. Mr. Sonntag: — If the member brings it forward on a private members' day during this legislature, I'll certainly consider it.

Ms. Draude: — That wasn't the question.

The Chair: — Thank you, committee members. Did you have anything else to add, June?

Ms. Draude: — Just in case all of the people, the officials that are working with the minister aren't here next time, I'd like to thank you for your help today, and the minister.

The Chair: — Thank you. Thank you, Mr. Minister. And I want to thank your officials for being here this afternoon. It is now slightly after 6 o'clock so the committee will recess until 7.

[The committee recessed for a period of time.]

**General Revenue Fund
Government Relations
Vote 30**

Subvote (GR01)

The Chair: — Good evening, committee members. I will reconvene the meeting of the Intergovernmental Affairs and Infrastructure Committee. The item of business before the committee this evening is the consideration of estimates and supplementary estimates for the Department of Government Relations. I recognize the minister and I ask the minister to introduce his officials.

Hon. Mr. Van Mulligen: — Thank you very much, Mr. Chair. Seated beside me on my left is Maryellen Carlson who is the assistant deputy minister of the municipal relations division. Seated beside me on my right is Wanda Lamberti, executive director of central management services. And on my extreme left is Paul Osborne who is the assistant deputy minister of trade and international relations.

Seated behind me, and we may call upon these officials from time to time as and when required, are John Edwards who is the executive director of policy development; Russ Krywulak, the executive director of grants administration and provincial municipal relations; Ralph Leibel who is a director of the community planning branch; Doug Morcom, the director of grants administration; Marj Abel, director of finance administration; and Rene Boudreau, the director of the Office of French-language Co-ordination. And I think I've got them all, Mr. Chairman.

The Chair: — Yes, Mr. Minister. Now, Mr. Minister, if you have opening remarks, we'll entertain them now.

Hon. Mr. Van Mulligen: — I do, Mr. Chair, and you'll be pleased to know that these are very brief.

The municipal relations division of Government Relations assists 13 cities and 469 other urban municipalities, 296 rural municipalities, and 24 northern municipalities. And I haven't done my math, but I think it adds up to about 800 municipalities all together in Saskatchewan, that we assist them in fulfilling their obligations to their residents. The division works with the municipal sector to develop programs, services, legislation, regulations, and we've been before the committee at least on one or two occasion with respect to legislation and policies that build good local government and define and protect public interests in Saskatchewan's system of local government.

The division is also responsible for municipal administration operations in the northern Saskatchewan administration district. If you like, I'm the mayor for the northern Saskatchewan administration district. I never thought I would be a mayor, but I guess I'm now the mayor, Mr. Chairman.

Intergovernmental Relations has both a Canadian focus — namely the management of federal, provincial, and interprovincial relations — and an international focus including trade policy and international relations.

The Office of French Language Co-ordination, OFLC, facilitates the liaison between the provincial government and the francophone community of Saskatchewan by supporting departments, Crown corporations, and agencies with a view to improving French language services in the province. The OFLC guides and monitors the implementation of the Government of Saskatchewan French language services policy, coordinates

intergovernmental French language initiatives, and provides quality translation services.

Canadian intergovernmental relations advance Saskatchewan's economic, social, and constitutional interests through the strategic management of intergovernmental relations within Canada.

The trade policy function develops and advances Saskatchewan's objectives in domestic and international trade negotiations and disputes while the international relations function coordinates the strategic management of provincial interests abroad. And as you know, equalization continues to be file number one for Intergovernmental Relations. And indeed, for the Government of Saskatchewan, it is our top priority until we help secure a fair deal for Saskatchewan.

That's a very quick overview, Mr. Chairman. I'd be pleased to answer any questions that the committee may have.

The Chair: — Thank you, Mr. Minister. The time allotted to deal with the Government Relations for this evening is in one hour, so we'll be concluding this bit of business at or near 8 o'clock. Mr. Huyghebaert.

Mr. Huyghebaert: — Thank you, Mr. Chair. And welcome to the minister and officials. I've got a number of questions that I would like to just ask and some of them maybe discuss. The first one I would have is looking at the staff component, and I would like the minister to indicate how many FTEs [full-time equivalent] were increased in this year, or if there was any increase in FTEs.

Hon. Mr. Van Mulligen: — We've added, Mr. Chairman, 7.7 FTEs. Five of those are for the administration of the New Deal program which is a . . . What we are doing is we are administering the flow through of federal dollars intended for municipalities — two in the area of administration and point seven FTEs in the Office of French-language Co-ordination. We're essentially increasing a part-time FTE to a full-time position there.

Mr. Huyghebaert: — Okay. I guess my follow-on question would be, and maybe I'm reading something wrong in here, but it seems like we've actually — correct me if I'm wrong, but — downsized some of the workload within the department related to property tax. Is that now not shifted to the Education, Department of Education? Like I know in previous times in municipal relations, we discussed the education portion of property tax and where it was going and how it was going. And I was under the impression that it was under your . . . the minister's department. And is that not correct?

Hon. Mr. Van Mulligen: — No, there's no change there, it's always been a shared responsibility between the Department of Learning and ourselves.

Mr. Huyghebaert: — And it's still a shared. Okay, so the FTE is five for the administration of the New Deal. Is that five starting from . . . Were they incorporated in the past fiscal year, or are they just starting from April 1 of this year and being hired for the fiscal year 2006-2007?

Hon. Mr. Van Mulligen: — No, those positions started partway through the last fiscal year.

Mr. Huyghebaert: — And the dollars of the new positions, is that reflected in vote 30 under the FTE staff component? Does that constitute the change 2005-06, 2006-07, or where does the financing of the new position show up?

Hon. Mr. Van Mulligen: — I would refer the member to page 80 under Government Relations, new deal for cities and communities. It breaks down not only the allocations but also the salaries and . . .

Mr. Huyghebaert: — Mr. Minister, that takes care of the 5, and then we've got another 2.7.

Hon. Mr. Van Mulligen: — The office of French language administration can be found on page 78. And if you see there, the budget allocation for this year as opposed to last year would capture the increased salaries in that area.

Mr. Huyghebaert: — Okay then I guess my follow-on question would be on page 77, we have estimated 159 to 166.7, would that just be . . .

Hon. Mr. Van Mulligen: — Seven point seven.

Mr. Huyghebaert: — Oh, that's the 7.7, okay, yes. The farm property tax financing, the development of this farm property tax, I'm wondering if the minister could explain the farm property tax financing and what role the department had in or, if any, in the development of it?

Hon. Mr. Van Mulligen: — The process . . . Well it's difficult to draw lines specifically, and I can get officials to address this, but essentially we supported Learning with our information as to assessment. But they would have had to do the work of obtaining the financial statements from school boards for the last fiscal year that they had them for, which would have been the year 2004, to determine the amount of grants that were received by the school boards from the provincial government, to determine the amount of property taxes collected by school boards from local property taxpayers. And also any additional revenues they owe. The school boards have some small items for additional revenues.

And then working with us to try to calculate what size of property tax credit would be necessary so that going forward they could then say that we project that the . . . With the 38 per cent credit for rural, for agricultural properties, what kind of credit was necessary in fact for them to reach across the piece, across on average for the province, 40 per cent?

We would have been engaged at a number of levels with the Department of Learning. But if you want, we can certainly call on the officials to give you greater . . . [inaudible interjection] . . . Yes? Sure.

Ms. Carlson: — Just in further response to your question, the department expertise lies in understanding assessment and in understanding how the property taxation system works. And so that would have been the information that we would have provided to Learning as they worked through the calculation of

the overall cost of the education system and the varying cost to get to the 60/40 split that you saw implemented recently. So we provide technical expertise in the background.

Mr. Huyghebaert: — Okay. I want to next go on . . . Sorry to have to make you move. I'll just go over that in *Hansard* tomorrow, and I'll probably get more questions for next time.

But I want to move to revenue sharing now and see where revenue sharing is at now. The previous minister had stated before that, the last time we had met I believe, that the government expected to have the revenue-sharing formula by sometime in 2007. And I'm wondering if that's still the timeline and what progress there is on a revenue-sharing formula. And I've got a number of questions related to the revenue sharing and if the minister could tell the Assembly what the status of the revenue sharing, progress on the revenue-sharing formula is.

Hon. Mr. Van Mulligen: — We have continued to work with the Saskatchewan Urban Municipalities Association to — I guess the best way to express this is — to compress the disparities that has crept into the revenue-sharing formula by virtue of over the years, providing percentage increases to a formula or to grants that may have been different in previous years, reflecting to some extent an equalization portion, if you like, of the urban revenue sharing so that some communities have continued to receive increases. All of them have received increases, but they've started from a different point. And this has been particularly — how shall I say it? — obvious with respect to some of the cities.

And we have encouraged SUMA [Saskatchewan Urban Municipalities Association] to work towards finding common ground and agreement among municipalities as to reducing the disparity between municipalities. And again this year, we've seen some further progress on the part of municipalities in being able to do that.

Having said that, there's still a disparity between the two large cities and the smaller cities in the per capita grants that they receive. I think the difference is \$10.13 or thereabouts per capita that the two large cities would receive less of than the other cities. With respect to towns and villages, the range there in towns is from \$63.73 per capita to \$101.64 per capita. In villages the range is from \$54.21 per capita to \$164.13 per capita. The resort villages ranges from \$47.63 per capita to \$359.93 per capita.

We look forward to the new census, to be able to work with the new census data, to be able to work more proactively, if you like, with SUMA to see if we can bring some further sense to the revenue-sharing formula and the distribution of these funds that we set aside to various cities, towns, and villages.

With respect to rural municipalities, we have been working with the Saskatchewan Association of Rural Municipalities. A new formula has been implemented. Eighty-five per cent of all the funds that go to RMs [rural municipality] is based on roads, and 15 per cent is based on an average of operating cost for the previous number of years — I forget the exact number of years. And then the 85 per cent that goes to roads is further broken down by the extent of heavy volume, heavy haul roads that some municipalities may have more of as opposed to other

municipalities.

I think it's fair to say that there's general agreement on the part of, you know, the rural municipalities with respect to that formula. That's not to say that there aren't pressures and concerns in some rural municipalities. But by and large, the formula has been accepted by them — in fact, worked out in consultation with them.

Mr. Huyghebaert: — Okay. So there is a new formula in place now. Is that what you're suggesting?

Hon. Mr. Van Mulligen: — For rural municipalities.

Mr. Huyghebaert: — For rural municipalities.

Hon. Mr. Van Mulligen: — Yes.

Mr. Huyghebaert: — But not for the urban municipalities as yet.

Hon. Mr. Van Mulligen: — For the urban municipalities, SUMA has been working with the interests internally to see what they could do to bring greater equity to the funds that are provided by the province. They've been able to do that in some part. SUMA takes the position that what we should be doing is just simply providing more funds so that everyone can be brought up to, I guess, the higher threshold. But that may not, you know, obviously has not always been possible.

So we will take advantage of the new census information to see if we can be more proactive with SUMA to try and bring some understanding and, I think, better support of the funding for the cities, towns, and villages.

Mr. Huyghebaert: — Okay thank you. Now I just want to get this clear in my own mind because you talked about a per capita basis. So per capita basis is only one aspect of the formula, and 85 per cent is based on roads, 15 on operating costs. But how do those two mesh . . .

Hon. Mr. Van Mulligen: — That's for rural municipalities.

Mr. Huyghebaert: — Okay. And the per capita, because you gave me a bunch of rural per capita numbers. So how do the two . . . The 85 per cent and the 15 per cent equals 100 per cent, so where does per capita fit in there?

Hon. Mr. Van Mulligen: — What we do in revenue sharing is that we set aside a pool of money for rural municipalities. And that pool of money is distributed among the rural municipalities, RMs, on the basis of the formula that I've mentioned. And it's based primarily on roads, and to some smaller extent on an average of their actual operating costs for previous years.

The pool that is set aside for urban municipalities including very small villages — and one might say that's rural, but they are nevertheless classified as urban municipalities — the funding there goes out on a per capita basis. And the increases have been done over the years on the basis of percentage increases to the funds that they were already receiving.

But inequity has crept into the distribution over the years, and so that there's a wide disparity in terms of what some municipalities receive as opposed to what others are receiving. And that reflects a revenue-sharing formula for urban municipalities that also tried to take into account — like the school boards do, the foundation operating grants — tried to take into account the relative assessment in various municipalities so that some municipalities with low assessment but same population as another municipality might receive a higher grant under revenue sharing.

The urban municipalities association decided a few years ago that they wanted to move away from that. They simply wanted to move to increases on a per capita basis to the various municipalities. Unfortunately it means that there is disparity now in terms of the funds that are received by communities. And we frankly acknowledge that more work needs to be done with SUMA. And we look forward to the new census to provide impetus, if you like, for us to work with SUMA to address this issue.

Mr. Huyghebaert: — Has SARM [Saskatchewan Association of Rural Municipalities] signed off on this new formula or was it done in consultation with SARM? And I'm just wondering what SARM was looking for and if this was a deal that they were at the table and agreed with in total or if they were pressing for other issues or if they were very happy with this formula.

Hon. Mr. Van Mulligen: — The formula was developed in co-operation with SARM, so if you like they were a co-developer in that sense. They support the formula. I think that all the municipal associations say, would always welcome more money to be distributed, but the formula is one that they think makes sense for rural municipalities, and we do too.

Mr. Huyghebaert: — If possible at some future date, if I could get a copy of the actual formula so I could have it, I'd appreciate that. Because one of the reasons I ask these questions, because in my discussions with SUMA and SARM — both members — there seems to be a drive from both communities to have some sort of own-source revenues in a formula. And that's why I was questioning whether SARM had signed off on this because I know that in my discussions they sure would like to see own-source revenues tied to a formula of some description or tied in some manner. So when things are good economically, when oil prices hit where they are now, the revenue sharing is shared.

And I believe the revenue sharing, the whole idea of the revenue sharing, is to share the good times with municipalities, as the bad times we see that we draw down from the municipalities. So now we're into the good times. And I'm surprised that they would sign off without having a own-source revenue clause in there.

Hon. Mr. Van Mulligen: — I'm not sure I understand what the member means by own-source revenues and an own-source clause . . . [inaudible interjection] . . . Well I'm not sure I understand what . . .

Mr. Huyghebaert: — We're getting something like 1 billion extra dollars this year in oil and natural resource revenue. And

that's our own source. That's our source of the province revenue. That's why we've seen an increase. And that's what's referred to, to my knowledge, as own-source revenues.

Now if revenue sharing is somehow tied to those revenues where you have a baseline . . . And I know this is what I've discussed with members is if oil prices go in the tank, then you're not renegotiating an ad hoc program. It's tied, some method or other. There's a base funding plus own-source revenue formula in there. And you're not continually having to come, hat in hand, and say you got money this year because we know it works the other way. If revenues went, from natural resources, in the tank, everybody in the province suffers.

Hon. Mr. Van Mulligen: — What you're referring to is a revenue-sharing escalator then, some escalator that is used to determine upward movement in the pool and I guess downward movement too. I was a bit confused; like I thought the member was talking about own-source with respect to specific municipalities, but no, okay.

No, an escalator formula was used for two years in the early 1980s. It was set into place, I believe, in 1979-80 fiscal year or thereabouts and was used for two years, then discontinued in 1982 because the government of the day decided to eliminate the gas tax. And that was one of the indexes which the escalators . . . you know, one of the economic indexes for the escalator clause.

We've not fixed on a revenue-sharing escalator as such. One, we're not aware of any jurisdiction that uses a grant escalator, any province or territory that uses a grant escalator as such.

I might say that from my point of view, personally having been in the Department of Finance, that if you have something in Finance over which you have no control, then you lose budgetary control. And there have been times in our past where, and obviously I can point to municipalities where the government frankly needed the budgetary control because of the challenges that the government was facing. And I'm not sure that an escalator, as such, supports the concept of prudent fiscal control and management.

I think it's fair to say that our priority with respect to the revenue-sharing pools has been to increase the size of the pools to a level that provides for greater comfort, obviously for the municipalities — both rural and urban — and also affordability from the provincial government's point of view.

Then the question of how those pools might be increased — whether there is some inflationary factor that comes into play or whether there is some other factor that might be looked at — we'll look at then. But we've been looking at trying to increase the pool.

I think prior to the last fiscal year we increased it by \$10 million a year. This year we've increased the pools by \$12.2 million. So over the course of — what? — five years it's been increased by \$42.2 million. The pool, total revenue-sharing pool is now I think about \$97 million overall. And that's coming up from a low point of 40-some million dollars. But the high point I think back in the '80s would have been about 140 . . .

Ms. Carlson: — One hundred and ten, I think.

Hon. Mr. Van Mulligen: — About one hundred and . . . We'll get you the actual facts on that. But the actual size of the pool in the 1980s was again something larger than what we have now. And we're still working towards increasing the size of the pool. So the \$12.2 million increase in the pool this year is far in excess of any inflationary increase that might be applied and we're going continue to approach it at that point of view.

We've indicated to the municipalities that, through the municipal forum, that we are prepared to approach this whole matter with an open mind and to continue discussions on not only what the size of that pool ultimately should be, but also how to protect that pool in light of inflationary pressures and the like.

Mr. Huyghebaert: — I know from the position of the municipalities they don't know from one year to the next what they're going to get and that's why if there's a formula that's tied . . . Because how do you have an out-year plan in your municipality if you have to wait every year like for the budget to come out to find out if you're going to get any, or what you're going to get for funds? Like this is very, very critical in all municipalities because if you want to invest in a community rink, how do you do that? So that's one question.

And the other reason because if I understand the municipal revenue-sharing Bill correctly, section 4 allows for additional funds to be added to the revenue-sharing pool because of the new-found wealth that we have in the province. Would you not agree that that's revenue sharing based on own-source revenues because your oil prices have gone up dramatically? So now we introduce a Bill that says, oh this year we can give you a little bit more money but we don't know about next year because we might want to do something different with that money.

And that's why, if there is a formula established that included this and if oil prices go in the tank next year, you don't have to bring in another Bill or you don't have to hammer them from behind like the hockey player did. You know, you blind side a person from behind because it's tied to a formula. And you could see it then by watching the news in the evening. If oil prices are down and potash and all of the other natural resources are down, you know that hey, we better not long range plan anything. But now it's just sort of an ad hoc and municipalities every year have to come hat in hand. And so, if I'm reading the municipal revenue-sharing Bill, that's exactly what I see that that Bill does. Would the minister agree with that?

Hon. Mr. Van Mulligen: — I think the Bill, if I might just point out, what it does in part allows for the last fiscal year, allow the government to transfer funds to municipalities because we found during the course of the year that our revenues had increased in a way that we could not anticipate in our budget. So it does that. Should there be an escalator tied to natural resources? Would municipalities be satisfied with an arrangement that, if there were to be a precipitous drop in oil prices for example, might see a reduction in the grants going to municipalities in the year, that also they couldn't plan on either?

I mean to use your example of how can you plan on a go-forward basis, if that is based then on a volatile economic

factor such as the price of oil, I can tell you as Finance minister, and you will know from the last two budgets, that to start out the fiscal year with projections from the oil industry that oil is going to be at a certain price, and on that basis then you put together your budget and then you find out during the course of the year that those oil prices have escalated and therefore you find that you have one-time dollars on your hands — I'm not sure that's the kind of arrangement that municipalities are looking for or provides the kind of predictability they would like to see either.

But then if the member is saying that well then it should be tied to economic indicators that fluctuate less and are more constant, then the province is in a position where we're dependent on the oil revenues — should they reduce, the municipalities continue to get the money . . . So I think there's lots of discussion that needs to be held on those points as to what is an appropriate escalator.

For me, I think, you know, a real concern is that if you have a pool of capital that you're going to distribute, and there's relative agreement about, yes, that should be the pool of capital, then the question is how you maintain that pool. And I think that's a legitimate question in terms of maintaining it from inflation so that municipalities will have some predictability that they have this amount of money this year.

They know what the, roughly speaking, what the inflation rates are so that they have some predictability. But it's a good sizeable flow of capital, maybe approaching — hopefully in inflation adjusted terms — what we might have been distributing back at its high point in the 1980s. And that's the kind of movement I would like to see.

I agree with you though that it's difficult for municipalities to do the kind of forward planning given the situation we have now. But I don't make any apologies for the government having to take drastic action in the 1990s to get its fiscal house in order, and you know we did that. But we've also made significant progress in getting back to a level of funds for municipalities that will be there and hopefully will in some way be protected for them.

Mr. Huyghebaert: — Well, Minister, it talks about escalator clauses. Well I guess my position would be that if it's tied, it's not really an escalator clause. It's a tied . . . Escalator means it goes up. Escalator I don't think in the dictionary talks about going down, where if it's tied to . . . Escalators in the department stores I guess go down, but escalator usually is a rise. And so calling it a tied formula to some form of our natural resources I guess is what I would be looking for so we don't have to do the stuff like this Bill every year to add revenue-sharing dollars.

And if you have a base funding . . . I mean we can talk semantics. But if you have a base funding based on one of your formulas, but then you have own-source revenue tie, whether it's a percentage, or whether it's if the province gets \$100 million more, revenue sharing goes up by so many dollars. And then it's something, it's a little bit more predictable.

And that's why I was looking at if when SARM signed off . . . And I know I've talked to members from SUMA, and they're

quite interested in the own-source revenue portion within the formula. And when SARM signed off . . . I'm going to have to talk to SARM because I know when I talked to them before, they sure wanted that in the formula.

Hon. Mr. Van Mulligen: — Just to be clear, what SARM agreed to is the distribution of the pool once the pool has been determined. I think obviously SARM would also like to see the pool greatly increase from what it is, and I've acknowledged that. But I would point out to the member that, you know, when I go to the Cornwall Centre here in Regina, that not only is there an up escalator, but there's also a down escalator.

And so that's the issue here, that if the goal is to provide predictability as an important source of revenue for municipalities, and I think for some municipalities even greater . . . The city of Regina, it seems to me, is something less than 10 per cent but significant nonetheless. I don't think, you know, tying things to volatile energy revenue sources for the province is necessarily going to provide the kind of predictability that they want. But again I'm open to a discussion as to how we might do that ultimately when we reach our goal in terms of what is the right revenue-sharing pool.

Mr. Huyghebaert: — I'll leave that one for a moment, actually enough time for you to . . . June.

The Chair: — Ms. Draude.

Ms. Draude: — Thank you. Thank you, Mr. Chair, and Mr. Minister and your officials. I have two or three issues that I wanted to bring up tonight. And I would imagine it comes as no surprise to the minister to tell you that one of the first ones is of course the flooding in northeast Saskatchewan. And I know the minister made a trip out to that area last weekend and saw for himself, saw the damage that was done and probably knows more precisely the amount of infrastructure that has to be repaired.

But one of the concerns that the RMs and the people in that area have is that if it's seen under the disaster that the number of, that each one of the flooding disasters — and I believe there was three in the last 11 months — each one of them is seen as a single incident and that there would be a requirement for the RMs to pay a portion of it themselves, I'm not sure what exactly what the dollar is, but it would be huge. And is there any way to look at that as more of a bigger picture so that the requirements at the local level wouldn't be quite so onerous?

Hon. Mr. Van Mulligen: — Again I'm not the right person to ask about what is the provincial disaster assistance program. That's a question that should be put to the Minister of Corrections and Public Safety who administers that program.

But what you're referring to is that — you know, without getting into specifics — is that when a municipality experiences a disaster and passes the appropriate motions to say that, look we have an emergency here and applies for disaster relief, there's some deductible that is put against that. And, you know, my sense is that if you have a disaster once every 25 years, well that might be acceptable.

But if you have, as was the case in the rural municipality of

Porcupine Plain, last year you applied for disaster relief because of the extent of the flooding damage. And then this year again you have flooding damage and, I think it's fair to say, somewhat tied to the events of last fall. Should they be charged or have to pay for a deductible again? That's an issue that I know that Minister Yates and his department is looking at. We feel for the people there and the challenges they have.

Ms. Draude: — The indication then is it's something that would have to be decided with Minister Yates. Is that correct?

Hon. Mr. Van Mulligen: — This is an issue that Minister Yates and his department will have to examine and to see how they want to approach to it. But certainly I think it's fair to say that Minister Yates and his officials are very aware of the issue that is facing the people in Porcupine Plain, and I think there's probably some other municipalities that are in a similar situation. And they're looking at that aggressively.

That was one of the issues they raised. There is other issues that I'm very concerned about that I think we have to move on so as to ensure that the people there, the leadership there, and the people that live there can be assisted to get their municipality back on its infrastructure feet, if you like, because it's . . . frankly, it's just devastating.

Ms. Draude: — Thank you. And I'm very pleased that your government is aware that it is a mess. And the costs are going to be tremendous, especially in the number of years where agriculture is so difficult. And so I know that people will be glad to hear that the government is looking at it.

I know that other RMs, I believe the RM of Arborfield and around Hudson Bay, are just about as bad. I'm not sure if it's quite as bad, but it's going to be an enormous amount of money. So I am pleased that you are looking at it, and I guess I'll have to take the opportunity to talk to Minister Yates.

I have two other areas that I'm going to bring up, and I'm sure you're going to tell me that it's not your area either. But I want to make sure that when you have the opportunity to talk to your colleagues, I can get a little dig in here.

First of all, the area of policing, and I know that comes under Justice, I believe. Doesn't it? But there is a number of RMs, and I think the RM of Barrier Valley was one of the first ones that had decided to withhold their payments for the RCMP [Royal Canadian Mounted Police] because of the cost compared to the amount of service that they're getting. And it is actually getting to be a real problem because with the amalgamation of some of the departments a couple of years ago. It's getting so that if you're . . . And this is not blaming the police because there's not enough of them, and the travel between the different areas, the areas, is just really horrendous. So some of them may not see a police car more than twice a month, and yet the cost of it.

And I think that Barrier Valley says they pay \$29.30 per person for the RCMP. So that's almost \$18,000 in total, which is a pile of money for an RM that's strapped, again because of the agriculture crisis and because of the declining numbers. It's a vicious circle if you're trying to get people to move into an area and then the taxes are high. People tend to move out, and those that are there pay more again. So it is really difficult.

And I'm wondering, because you are the Minister of Government Relations, and the number of small towns is many. I guess that could be a question I would like to ask you, is how many small towns do we have that have less than 250 people — maybe even less than 200 — that are bearing all the weight of providing the services that every community deserves, but it's borne with a few people?

Hon. Mr. Van Mulligen: — Again the responsibility in this area would rest with the Minister of Justice, and I know that he'd be pleased to respond to any questions you might have in this matter. The little I do know about the formula, I know that it's a two-part formula, that if a municipality has a RCMP detachment within the municipality, then the costs that are attributed to that municipality are higher than municipalities that do not have a detachment.

But the Department of Justice has taken a view that all of us benefit from police services and that all of us should in some way help to support that, recognizing again that some municipalities, because of the location of the detachment, obviously get a greater benefit and they recognize that.

Ms. Draude: — And thank you, Mr. Minister. And I do realize that it isn't your area, but at the same time it is because we're talking about the same taxpayer who has to pay for fees from many different departments, and when you add it all onto the same bill it's coming out of the same wallet . . . which, you know, again it leads me to the small towns. Do you have the information that would tell us how many towns there are that have populations of less than 200?

Hon. Mr. Van Mulligen: — We don't have that information readily available. We'd certainly be in a position to provide the member with that information.

Ms. Draude: — I'd appreciate it and if it's simple, and maybe the ones that have less than 100. And I'll tell you why. There's villages like the village of Rama who has a total budget of \$83,000, and they spent 30,500 of it just on utilities. And you know . . . And then the year that they have to do the water inspection, that takes them up to just about half their budget. There's got to be a recognition that small towns and villages have extra costs involved in their work, that it's just there. It's like trying to decide if you're going to have a minimum tax or a flat tax because there's some services you provide regardless of how many people are in the area.

Is this the type of thing that you look at when you're determining the formula and the amount of money that's cost shared to municipalities?

Hon. Mr. Van Mulligen: — Yes. There is a base amount that's provided to all municipalities. And I would point out that there is 135 municipalities in Saskatchewan that have 100 or fewer people, 135 approximately. And they receive a base amount, and then they would receive per capita payments, like all other municipalities.

We certainly recognize the stress that's placed on municipalities by rural depopulation and a lack of growth in local assessment. That's a fact of life in Saskatchewan and, I might point out, in other rural jurisdictions as well. It's put in terms in the last

census which was concluded in 2001 — and the new census is this year as people will know if they received their census forms.

The last census in 2001 saw a drop in the number of farms in Saskatchewan from 57,000 five years previously to 50,000. The number of people living on the farm dropped by 20,000. So on average 4,000 people a year are leaving the farm, just picking up and moving out.

And this puts tremendous stress on very small communities that tend to be the homes for some of the people that live in . . . Agriculture provides some of the supports for some of the rural communities, and it's a very tough battle, an uphill battle. And we've seen a number of examples of small communities where their infrastructure has . . . they've not been able to maintain it, and they've had to let it go.

This is a significant challenge for many small communities. And again it's not just Saskatchewan that this is taking place. In the last census, 5 of the 19 census districts in Alberta also lost population. They saw the same trends. And in Manitoba . . . And you will know from your visits to the Midwest legislative conference that this is the same trend line in rural jurisdictions south of the border as well. And so there's tremendous pressure there.

What is the future for these very small communities? That is a very good question. In some cases this last year, we saw a reversion of some very small communities where they were simply not able to provide local government effectively so that they reverted to hamlet status and then to have their services administered by their rural municipalities in which they are resident.

My sense is that we will see more of that. My sense is too that we will see increasingly small communities, small villages, looking to share services with other communities. So that, if you have a small community of 75 people, have a rink that you are administering but you find that you can't afford to do that, then you might look to enter into some shared services arrangement with a larger community down the road.

And that's the reality for some small communities. And again that's not just in Saskatchewan, but that's in small communities in areas, rural areas, throughout the Great Plains.

Ms. Draude: — Thank you, Mr. Minister. And I'm not disagreeing with you, but philosophically I guess I do because I believe that when there isn't funding put into infrastructure, that there's no choice but to move. And by infrastructure I mean things like closing hospitals and closing schools and that type of thing. Nobody's going to build a new house and move into a town if there isn't a school or a hospital or a road to get to it. And that is a fact of life.

There has to be a desire, and I know that not everybody is going to move out to a small town, but not everybody would leave either. So I think we are adding to some of the problems. But like I said, this is a philosophical difference that we probably have, and I know that the people that I represent are living out in rural Saskatchewan because they want to. But it's more and more difficult all the time.

So it's got to be . . . The opportunities that we have in Saskatchewan, I believe, are out in the rural areas. I often hear our leaders say that you don't see too many pumpjacks on Albert Street, and you don't see too many potash mines on College Avenue. But at the same time we do have . . . If we're going to develop what we have, we have to be able to get to and from them. And we have to make it possible for people to live out there. And it I think it's incumbent upon government to ensure that there is a chance to do that.

And I think that in the last 11 years that I've sat here, every year I see the cuts are to the areas where it makes it impossible for people to live and the places where I live, but I guess that'll be another discussion for another day. Thank you.

The Chair: — Thank you, Ms. Draude. That draws near our time of conclusion. Is there any further questions? Not seeing any questions, Mr. Minister, do you have any final comments to make?

Hon. Mr. Van Mulligen: — No, I'll reserve those for another day, Mr. Chairman. Again you know, I don't think that there is a philosophical difference. I think there's an economic reality that's taking place, not only in Saskatchewan but throughout the Great Plains area. People make their own choices about where they want to live and what kinds of businesses and services they want to support in their own town as opposed to a larger town. People make those decisions all the time. Thank you.

The Chair: — Thank you, Mr. Minister. That now concludes the time allotted to deal with the consideration of the estimates and supplementary estimates for the Department of Government Relations. We'll just take a short break here while the officials retreat and the new officials come in and then we'll start up with the next issue. Thank you.

[The committee recessed for a period of time.]

General Revenue Fund Highways and Transportation Vote 16

Subvote (HI01)

The Chair: — Thank you, Mr. Minister. And I see everybody's in their place, and the members are all ready to go here. So the next item of business before the committee will be the consideration of estimates and supplementary estimates for the Department of Highways and Transportation. I'll ask the minister to introduce his officials.

Hon. Mr. Lautermilch: — Thank you very much, Mr. Chair. To my left is John Law, deputy minister of the Department of Highways and Transportation. To his left is George Stamatinos who is the assistant deputy minister of policy and programs division. To my right is Terry Schmidt, assistant deputy minister of operations. And behind us on the right side of the table is Ted Stobbs who's the assistant deputy minister of corporate services; and Tim Kealey, director of corporate branch support.

The Chair: — Thank you, Mr. Minister. Do you have any opening statements you wish to make?

Hon. Mr. Lautermilch: — Well I think I had made some opening comments at the last sitting of the committee when we appeared. And I think there would be probably . . . It might be more fruitful if we were just to open up for questions from members of the committee. The remarks are on the record and can be observed in *Hansard*.

The Chair: — Thank you, Mr. Minister. The amount of time allotted tonight to deal with this particular set of estimates is one hour, so we'll be concluding at or near 9 o'clock. Ms. Draude.

Ms. Draude: — Thank you very much, Mr. Chairman, and Mr. Minister, and your officials. I have three areas that I wanted to briefly touch on tonight, and if you give me the right answer you can be out of here before 9 o'clock.

I am going to start by asking you about Highway No. 310 from . . . 310 North. And I don't know if you've received a letter yet from the chamber of commerce in the Wadena and Foam Lake area, but they are really concerned about this road.

I think you've probably heard me bring forward petitions since session started about this road around Fishing Lake. There is a very high volume of traffic using the highway all year round. There's a number of permanent homes there, and I'm sure you're aware that there are, a lot of them are in flood . . . you know, worried about flooding at this time. But the road there is horrendous. I've spoken to the man who has a tow truck in Foam Lake, and he said even in the summertime there's barely a day goes by that he isn't out on the road pulling somebody out because they've hit a hole, something. It is just in bad shape.

Can you tell me where that highway is on the list to be repaired, and not just repaired but built to a state where there . . . really reflect the high volume of traffic that uses it?

Hon. Mr. Lautermilch: — Ms. Draude, that is one of the thin membrane surface roads that were constructed 30, 40 years ago. And at that time, there was little truck traffic and it just, as you will know, the TMS [thin membrane surface] roads were not built for heavy-volume traffic and heavy traffic. Highway 310 is one of them. I would want to say that, just as . . . And I wasn't going to make any opening comments, but let me make just some short general comments.

This year has been a particularly difficult year. Northern Saskatchewan, central Saskatchewan, and particular along the west side, the water table is very, very high. The roads are spongy. The winter has been an incredibly difficult winter in that we didn't have a sustained period of 30 below which will help to bring frost down into the roads. But we had rather, freezing, thawing as you will know. We had ice conditions throughout the whole winter, and it really has raised havoc with some of the roads, Highway 310 being one of those.

We have had numerous complaints about 310 from business owners about the condition from Foam Lake to Fishing Lake in the 2005 season. I can say to you that we're expecting again that kind of reaction and particularly at this time of the year with breakup. I can say that our crews will be continuing to providing ongoing maintenance to keep the road in a safe condition. It's been somewhat frustrating in that — for local

residents but for the department as well — we haven't been able to because of high moisture conditions, rain. You will note in the news, Highway 956, north of Prince Albert, the Montreal Lake area, that's another circumstance where weather has been giving us some considerable grief.

So I would want to say that we'll be on that road over the course of the summer. We are going to attempt to strengthen as many TMS roads as we can with the funding that we have available to us. 310 will be one of the roads that we're expecting that we'll be providing ongoing maintenance over the course of this summer.

Ms. Draude: — Mr. Minister, I guess I should first of all warn you that you're going to be getting a lot of phone calls and letters because they've started to advertise to do it even. So I would think that it will ensure that your mailbox is never empty. But also the question is, when is it on the list to be reconstructed?

Hon. Mr. Lautermilch: — Mr. Chairman, I'm going to ask Mr. Schmidt to answer that question for you. He is in charge of the operations, and I think he could give you I think a much more, maybe accurate answer than I could. So I'll ask Mr. Schmidt to respond to you.

Mr. Schmidt: — Thank you, Mr. Minister. At this point in time the strategy right now for repairs on Highway 310, as similar TMS roads, is just emergency repairs. The roads are still soft and wet. The frost is just starting to come out of the ground now. It's about two feet down is what our crews are telling us. So until such time as the frost has come out of the ground and the roadbed has dried out considerably more, to go in and do any type of permanent repairs, they don't last very long because of the softness of the road and the moisture conditions. So what we will be doing is, the conditions dry out, we'll be going in. And some of the more major failures, we do what we call a deep patch where we bring a backhoe in, actually dig out the wet, failing material, replace it with granular material and then apply a dust-free surface on top of that.

Those type of permanent repairs are typically going to be done more towards another two, well three weeks type thing when things dry out, depending on the . . . if we get more rain and moisture, like that. So up until this point in time they are just, as I say, trying to repair the worst failures on a daily . . . or every two days they try to travel down the road and do surveillance, mark the areas and repair the worst failures as best they can because the repairs only last for three or four days and they have to come back and do them until such time as the roadbed dries out.

So as conditions will dictate, we'll go out; we'll do these more permanent repairs and then provide that dust-free surface back on when the roadbed's dry and firmed up.

Ms. Draude: — So the question is, when is it slated for reconstruction?

Mr. Schmidt: — At the current time, our priorities are on completing corridors under the Prairie Grain Roads Program. And so we've got several corridors to complete there as we're continuing to make progress on them this year.

Highway 310 is non-identified under the Prairie Grain Roads Program, and so it will be . . . We have no current plans at this time to upgrade it, unless some additional funding would come in through some type of new programming or some type of program where we identify strategic corridors and start investing in some strategic corridors. So the main focus right now is completing those Prairie Grain Roads Program's corridors.

Ms. Draude: — I would think that there probably is long-term planning. If it isn't planned far enough past these Prairie Grain Roads, then it looks like it's a number of years into the future.

Do you do traffic volumes on these areas at all? Is there anything that would lead your department to realize the terrific amount of traffic that's going through that area?

Hon. Mr. Lautermilch: — Ms. Draude, I'm told by the officials that they do the traffic checks on about a three-year cycle. As you will know, Saskatchewan's economy has been changing and evolving and what was five years ago, is not now.

Some of the pressures on the rural roads are created by economic development and increased tourism. This may be one of the roads that is experiencing, because of increased tourism, increased traffic. And I think it's fair to say that as the monitoring of traffic patterns continues, that it can be a moving target. We obviously don't have the funds to do all the TMS, nor do we have the construction capacity to do all the TMS upgrades in one year. We've been doing it on a methodical basis. We plan two to three years out and continue to monitor the traffic flow and the changes in traffic.

And you've recognized 310 as being a road that may have increased traffic flows, and the department will be checking. We have maps with traffic counts that are done. They're updated on a, as I said, on a two- to three-year cycle as we budget out two and three years as well.

Ms. Draude: — Thank you, Mr. Minister. I guess the only thing I can ask at this point is that you do have traffic checks on that road this year because I'm sure it will surprise you when you see the number of people who are using the road. And probably you could add 30 per cent for people . . . would use it if they could get down it. So I'm asking that you look at that.

And the other one, I know that your department does identify that some accidents are caused because of bad spots in the highway. Is there a number of incidents from the last year that you have paid for because of traffic accidents? Can you give me that number?

Mr. Law: — To the member's question, we don't have the specific data that you've asked for here this evening, but we can provide it for you. And you are correct. We do have a process that provides for compensation for claims that are made through the process where there are damage to vehicles. So we will go back and provide that information back for you and can provide further information if there are concerns about contact information for people who may be interested in this particular area.

Ms. Draude: — Thank you very much, and I will be giving you

a contact person perhaps. Is there any highways in the province that there is cost-sharing agreements with companies such as Weyerhaeuser to pay for the maintenance?

Mr. Law: — We may need a little clarification on the question. But if the question is whether or not we actually cost share maintenance work with any private companies, we don't effectively do any direct cost sharing with any companies on that basis.

We do have some programs, two or three, in which we have arrangements to provide for different access to the road systems in which there is some financial compensation that is intended to go back into the system to look after the condition of the road. But we don't have any direct programs where there would be a formal cost-sharing arrangement per se.

Ms. Draude: — I'll be more direct. Is Highway No. 23 that goes past Weekes up towards Hudson Bay, is there any agreement with Weyerhaeuser or any forestry company to put funds into the maintenance of that road?

Mr. Law: — We will double check this, but I don't believe that we have an agreement on Highway 23. No.

Ms. Draude: — Is Highway 23 one of the roads that is going to be upgraded to gravel?

Hon. Mr. Lautermilch: — Ms. Draude, we don't have the specific information on Highway 23, but we will undertake to get that, and we will send that along to you, if that's good.

Ms. Draude: — Thank you.

The Chair: — Mr. Huyghebaert.

Mr. Huyghebaert: — Thank you, Mr. Chair. I've got some highways also that I'd like to get an update on, on a time frame and what's going to happen. And I was just . . . my colleague was looking for the highway prairie grain corridors. And you may have announced this already; I don't know. But I would ask . . . I guess my opening question, is Highway 43 on the prairie grain corridor or Highway 13 on the prairie grain corridor or Highway 58 on the prairie grain corridor plan?

Hon. Mr. Lautermilch: — I can tell the member, Mr. Chairman, that Highway 13 is part of that program. I should also say that we have approached the federal government and indicated that 13 is one of the roads that we see as a strategic part of the system and that we are attempting to deal with the backlog under the PGRP [Prairie Grain Roads Program] program.

I can ask Mr. Law if he would have more to add to that in terms of the discussions that we've had with the federal government and perhaps give us an update on that if you would.

Mr. Law: — Sure. The minister correctly points out that we have . . . As a result of the way the program was structured under PGRP, the federal government's contributions were capped. And with the inflationary pressures that we've had in the program, the province has been left to pick up what were announced, approved projects at the beginning of the program

to the tune of about \$30 million that we are trying to catch up on right now.

No. 13 was included in that preliminary list. Neither of 43 or 58 were on that list, but in recognizing the shortfalls that we encountered in the first program, we have reappraised the federal government about entering into a renewed program or a second phase of the program. And both of these routes that you've identified, 43 and 58, would be eligible candidates under that renewal.

So we have some further work to do in terms of negotiations around the second round that we think PGRP should be eligible for. But we have a ways to go in terms of the completion of the work that's already underway that includes 13.

Mr. Huyghebaert: — Okay. Here's one of the reasons I asked 13. I know there's been work on 13 for the last few years and the last fall, the portion of 13 east of Cadillac. And I imagine that's going to be paved.

It's west of Cadillac that I was . . . to Shaunavon that has been a concern for many, many, many years. It's really has been in bad shape. There's temporary fixes, but it's just not a good road to travel on. And if it's part of the corridor, the prairie grain corridor, I'm wondering if there's a time frame that that road . . . or if the portion west of Cadillac is part of the corridor.

Hon. Mr. Lautermilch: — Right. Mr. Chairman, I'm told by the officials that west of Cadillac, Highway 13 is not part of the PGRP program, but it is part of our planning with respect to economic corridors that we see as being priorities.

I mean obviously we have a lot of roads that we need, for economic reasons, to upgrade. The ability to do all of that as quickly as we may like is just not there. What we are really hopeful though is that — if our discussions with the second round of PGRP, with the federal government are successful, given the fact that we have been picking up the backlog that Mr. Law has spoke of because of inflationary costs — that if we are successful, it would very much take the pressure off of us and allow us to accelerate some of the upgrades in areas that aren't affected by PGRP as well. So the discussions we're having on an ongoing basis are really critical to assist us in bringing these roads up to a standard that would satisfy you and the people who live in that area and who travel that road.

Mr. Huyghebaert: — Well I thank you for that. So I gather from that then 13 west of Cadillac, is there anything planned for it even for temporary fixes for this year? Because I guess the question would be, when would we know that PGRP . . . when will that be finalized? This year? Next year? Could that road be five years, ten years, who knows? So when is the next round, or when is the next round of PGRP being finalized?

Hon. Mr. Lautermilch: — Well let me just speak to that. As you will know, Mr. Harper has recently formed a new government. And there has been a transition — new deputies in some cases, new staff for new ministers — and that transition has, I think it's fair to say, somewhat delayed discussions that we've had in a number of areas, not just on transportation, but in a number of areas with the federal government. I think it's fair to say that now that they have put together their budget that

there will be more opportunity from a political level to interact with the federal government as well as from a bureaucratic level.

They've been made aware of our concerns with respect to phase two of PGRP. They, I think, understand the inflationary costs that transportation departments across this country have encountered. Seventy dollar oil has made some of the tendering quite interesting, and obviously the costs of maintenance and upkeep within the department have gone up as well.

So I would be hopeful and I think perhaps Mr. Law may want to speak in more detail to this, but it's my hope in the upcoming months — and I'm hopeful certainly before the next budget cycle — that we can have an agreement, a renewed agreement with the federal government. It may be that they are interested in moving quite quickly on this. What is uncertain at this point is their transportation budget.

I think it's fair to say we haven't determined exactly what would be in this budget for Saskatchewan. Some of the language was not as explicit as I guess we would have wished, so we could determine exactly what it does mean. But our officials will be in touch with the federal government to determine where that will head.

So, Mr. Law, I don't know if you have anything you had to add.

Mr. Huyghebaert: — Well I thank you for that. Well I want to switch to 43 because it's not part of the PGRP. But Highway 43 west of Gravelbourg, it's been in shambles — I guess might be a polite way to put it — for a long time. There's a small fix, quick fix. And I guess I could include 58 from Gravelbourg south because that's a corridor linking 43 and 13.

And it's one that I do drive on — both of these — a fair bit. It's in my constituency obviously. And it's almost laughable sometimes to drive these roads. And I get an awful lot of calls on it and I would be very surprised if the department didn't get a lot of calls on these roads.

In fact the last time I talked to a group of people on 43, they were going to start sending chunks to the minister's office and to the Premier's office because they're doing no good on the road, and in fact they're creating a hazard on the road. And I know this happened a few years ago, where people started doing it and finally had to say, I think from the government, to stop because we're getting a pile of asphalt here in the building.

And that's how serious this road is. And no matter where I go in that area, that's one of the first things that people will talk . . . We know all of the problems in the rural areas, the farm community, but when you can't get from point A to point B because of the road, people do tend to complain.

So my question on 43 would be, is there any plan this year to upgrade 43 to make it driveable?

Hon. Mr. Lautermilch: — Well, Mr. Chairman, I guess the response to you, Mr. Huyghebaert, on 58 and 43 would be similar to the comments that were made on I believe it was Highway 310 when Ms. Draude was asking. The department needs to allow for time for the road conditions to dry so they

can go in and dig out the areas that need to be thawed out so that they can do the repairing. And those circumstances have to be so that the repair will work. And if Mr. Schmidt cares to respond further to that I'll let him do that now.

Mr. Schmidt: — Yes, just to add a little bit to that. As the minister says, these are TMS highways so the repair technique will be similar as to was mentioned for 310. Our crews will get there as soon as conditions allow. They can't get to all the highways at the same time so they will be taking care of the highest volume highways first and then continuing to repair the other highways, as I said, as the conditions allow and as the resources will allow in that similar manner as I mentioned for the TMSs in other areas of the province.

Mr. Huyghebaert: — Well I would just hope that you'd have a look at it soonest because it is a little different down there for moisture than it is in the Northeast. There's no doubt about I don't think in anybody's mind I mean, but we're to a point of being extremely dry down there. We've had a little shot of rain but I don't think we could use that as a crutch to say we've got to wait till it dries up. I know recently we've had a little bit of rain, and maybe today you couldn't, but I think as a general term it's a lot drier down in the Southwest part of the province and I would hope that the crews could get at a couple of these roads.

Fifty-eight goes by a resort area of Thomson Lake and I've had people that have just about gone into the lake. That's how bad the road has been. And they've done small patches but it's actually quite dangerous there. And 43, I'm sure you've heard.

And when you relate it to the volume of traffic, well it's kind of Catch-22. The volume of traffic is not on the road because it's so bad that there's not as many people that will drive it. I've myself last week, two weekends ago, used the grid road. I couldn't, I could not drive on the pavement so I found grid roads that I could travel on. I mean that's the shape of 43. So I would encourage your department to look at these roads as soon as you can.

The Chair: — Mr. Weekes.

Mr. Weekes: — Thank you, Mr. Chair. Good evening, Mr. Minister. My first set of questions concerning an issue's been raised by the town of Radisson and it's concerning the intersection of Highway 16 and 340 at the town of Radisson. Your department is aware of this; there's been correspondence over the years going back to 2001 and fairly recently. There has been six fatalities at that intersection in the past seven years and another injury and a number of near misses.

And the town has been asking for a number of things. The first thing they've asked for is just a reduction in the speed limit at that intersection as the traffic goes by Radisson, Saskatchewan. And they've talked about an overhead crosswalk and those types of issues. Could you bring me up to date on that situation at the town of Radisson?

Hon. Mr. Lautermilch: — Mr. Schmidt will respond to that, Mr. Chairman.

Mr. Schmidt: — Yes. Department staff from our central region

office in Saskatoon has been in communications with leaders and community leaders, council members from the town of Radisson prior to and since the last accident that occurred there. We've done several speed studies on the highway there too in the past and indications are that the speed limit there is appropriate.

But nonetheless we are in discussions again with the community and I believe we're undertaking some additional review to see if there's some safety countermeasures that can be put in place, reviewing the contributing factors and the sequence of events on the last accident to see if again if there's some safety countermeasures that can be put in place to improve the operations and the safety of the intersection.

Mr. Weekes: — Thank you. I do have a copy of the study. I believe I have it. It was supplied by the town. I understand the statistics behind it and all that. Now I've driven that highway many times and certainly there is a curve that's there. It's going by a fairly busy intersection going into the Red Bull restaurant on the north side of the highway, into the town of Radisson on the south.

And I just feel that even though the study states its results, it certainly is an area, when you actually drive that stretch of road, that you can understand that it becomes less safe than, you know, a less busy intersection and a stretch of highway that's straighter. And just given the statistics behind the number of deaths and accidents and the busyness of that intersection, it seems that it's not too much to ask to make some changes as far as that stretch of road. And it seems that . . . Well as the mayor of Radisson says, the community would like to know what the body count needs to be before they see there's a problem and the intersection is not safe.

So I would just ask the minister and your officials to revisit this situation and this intersection and possibly make some changes to the speed limit at this intersection where there's just been a lot of fatalities and a lot of hurt and pain that have come from those accidents.

Hon. Mr. Lautermilch: — Well, Mr. Chairman, Mr. Weekes, we can certainly take another look at that. I mean, obviously public safety is our concern as it is yours. I mean, I think our engineers have done and continue to do very good work in terms of the design of our infrastructure.

It's been my limited experience, I guess, in the short time that I've been in this file, that when there are intersections with a number of fatalities, the communities become acutely aware. It's not something that anyone wants to see, whether it's Radisson or whether it's Moose Jaw or whether it's the North Battleford area or Prince Albert area. That's how it is, and I would undertake to have another look at that in the upcoming days.

Mr. Weekes: — Thank you, Mr. Minister. I know the town and the community would appreciate that.

Another situation has come to my attention, and it's concerning Wapawekka Sand & Gravel out of Saskatoon. And I'll quote you the department file number if that will help you. It's 913-01. And there's correspondence between Wapawekka Sand

& Gravel and a gentleman, Darwin Williams, and Mr. Gordon King, Department of Highways, the director of northern regions. This situation . . . well I'll just quote from his letter. He has a gravel pit at East Trout Lake and he hauls material — this is his business — into Candle Lake. And:

Last year, the Department of Highways crippled my small company when they saw fit to close down Hwy #120 at the White Gull Creek culvert replacement job as I was unable to maintain the amount of product [that] I needed to do the work I had been contracted to do.

As Highways would not build a detour around the work site, the detour which I had to take through the McDonald Lake road and the pulp cut roads and back on Highway #926 to Candle Lake not only extended my trip by a 100 kms. per round trip, but also two extra hours in travel time due to the amount of traffic forced onto these narrow-winding roads. This cost me fuel, equipment and man hours to a total of approximately \$5,600 . . . The job, which was to take no longer than seven to twelve days, was dragged out to 31 crippling days in September and October which made me unable to stockpile . . . [my] material in my yard at Candle Lake from my pit at East Trout Lake for the coming year.

Then the letter goes on to say:

By the time I was able to start hauling product to my yard in Candle Lake again in May, 2005, another construction job started, but this time on the first 11 kms. of Highway #913. This job started a couple days before the long weekend in May without any regard to campers or businesses using this road.

And the letter goes on to say that he was assured that things would change and the road would not be closed and construction would be done by the July long weekend. And he says:

I was again forced to “pay the price of progress”, which this time extended from the May long weekend to the middle of October. This road was never completed and is only now being used because it is frozen.

This new detour now cost me \$13,200 which includes \$2,822.40 for fuel, as it extended my round trip by 60 kms. for a period of approximately 150 days . . .

This gentleman is not very pleased with what happened up there. I was wondering if you could give me an update on that situation and if there would be any compensation given to this gentleman.

Hon. Mr. Lautermilch: — Mr. Weekes, Mr. Chairman, the officials are not aware of this issue. And I think what might be appropriate is for the department to undertake to look into this issue with Mr. King to determine the facts surrounding it, and then we would undertake to get back to the owner of Wapawekka Sand & Gravel and respond to him in that way — if that would be all right?

Mr. Weekes: — Thank you. I'm sure he would appreciate you

and your department looking at that. He did get a reply back March 13, 2006 from Mr. King. And the letter reads:

Further to the January 16, 2006 letter from Robin Briere which states that no compensation is given for loss of revenue, it has come to my attention that a native operated lodge which was also affected with loss of revenue during the road construction of Highway #913, has been somewhat reimbursed.

And this is a letter from Darwin Williams to Mr. Gordon King. And so anyway if you could look into that. As this gentleman stated, there's been some compensation given to a First Nations because of the same situation. It would be only fair that he would be reimbursed for some of his losses because of that situation as well.

Hon. Mr. Lautermilch: — Certainly. We'll look into that for you.

Mr. Weekes: — Thank you, Mr. Minister. On to another topic. And I do not have the *Eagle Feather* in front of me, but I am told that you or one of your officials may . . . in an article or in an interview, that when your department comes to a First Nations, that you continue and finish paving the highway through a First Nations reserve. That's what I've been told, and I was wondering, are you constructing roads through First Nations reserves?

And considering it is federal land, is there an agreement with the federal government that the department does get that work contracted? And what is the arrangement with the federal government as far as payment of those construction projects?

Hon. Mr. Lautermilch: — Mr. Chairman, I am told that when a road goes through a reserve, hooked and connected to the provincial system, we have title to that road. And we would then maintain and upgrade it as we would the other parts of that.

I believe that we have 22 such roads in the province where the . . . I understand that it's a federal responsibility in other areas. But where it hooks through the province and the provincial road system, we do have title, so we maintain and manage.

Mr. Weekes: — Thank you. So there's no federal funding whatsoever for the building and the maintenance of those highways?

Hon. Mr. Lautermilch: — Mr. Law.

Mr. Law: — As the minister was explaining, south of the northern administration district, there are 58 First Nations on the provincial or municipal road system. Twenty-two of those are under provincial jurisdiction. Sorry, that's not quite right; 22 of those are paved under the . . . that are provincial. I think there are an additional four that would be gravel . . . the remainder in the municipal system and in those circumstances.

So that 26, 32 of them or something in that vicinity would have federal jurisdiction where they are within the municipal system, because we will have acquired the land that the provincial highway system is running through those reserves where they are part of the provincial highway system. So we have direct

responsibility for those, and we also have the property. There would be responsibilities to the federal government for those that are outside of the provincial highway system. Typically those are part of the municipal system right now, and the federal government would have responsibility on reserve there.

Mr. Weekes: — Thank you. So you're saying approximately 32 grid roads or gravel roads would go through First Nations, and that would be considered part of the municipal system. And they would have . . . Well could you explain, is it the same type of agreement between the province and the First Nations as there would be between the province and an RM as far as building and upgrading and maintaining those gravel roads?

Mr. Law: — I might get George to help me here. The relationship between ourselves and the First Nations is for roads that are a part of the provincial system. Those typically are managed by us almost in their entirety, that is, the maintenance, the capital construction. All of those projects are our responsibility, and we would manage those directly.

In the case of roads that go to First Nations that are part of the municipal system, at this juncture we have no direct involvement in those roads. The relationship between the municipalities, if they have any relationship directly, with either the federal government in terms of their jurisdictional responsibility on reserve or the First Nations themselves, would be developed and maintained, those agreements between those parties.

Mr. Weekes: — Okay I think I follow you. But the actual construction of the original gravel road through a reserve, how were they funded? How are they funded now, and who's paying for it?

Mr. Law: — Prior to 1997 there was a program in place that I believe was referred to as the rural revenue-sharing program. Under that program, the federal government provided 80 per cent of the cost of doing construction of those roads. The First Nations were typically responsible for 20 per cent and partnered with that program. Typically the provincial government took a similar role with the municipalities. That is to say, we would do an 80 per cent responsibility, and the municipality would carry 20 per cent for those sections of the road that would be part of the municipal program — part of the municipal road system — leading to the reserve but not on the reserve.

So sometimes if there was an access road for example that was under the jurisdiction of the municipality, the program that I'm referring to would allow for the province and the municipality to cost share on the road getting to the reserve. The federal government then had a program where they partnered with the First Nations on a similar 80/20 cost-sharing basis to do the work on reserve. That program has essentially dried up for . . . I think it's been since 1997 since that program has actually been in place. So I'm not sure that there's been any funding for that program since that time.

Mr. Weekes: — Thank you. Another question on another situation brought to my attention in the constituency of Biggar.

I have letters both from the rural municipality of Vanscoy and the town of Delisle. Their request is to have the Highway No. 7

twinning from west of Saskatoon to Delisle. Their concern is numerous here. Again, like Radisson, there's been many fatalities on this stretch of highway. There is potash mines in the area that add traffic to that stretch of highway. And I would just like to get a comment from the minister. Has your department considered twinning this stretch of highway, and if so when would it begin?

Hon. Mr. Lautermilch: — Mr. Weekes, I can sort of . . . If I can maybe just outline our whole twinning program. Much of it of course is based on traffic flow and the utilization of the roads.

Our goal is to complete Highway 16 and 1 by 2007 construction year. We have indicated it's our intention to complete Highway 11. I would think it's fair to say in the province, the next candidate for a twinning program would be that stretch of Highway 7 because the traffic count is quite high in that area, as the town of Vanscoy and others have — and Delisle — have indicated.

So part of this and much of this twinning could be accelerated if we're successful in our discussions on the national program that we had used on 16 and on Highway 1. And if we can get an extension and a continuum of that from our federal counterparts, that would very much help us solidify the timeline.

At this point, I can't give you a construction season as we haven't, as I know it, we haven't one planned for Highway 7. But if we are successful and our federal counterparts are supportive of a national infrastructure program, that would very, very much accelerate, as it did the twinning of Highway 16 and Highway 1. I think we had a completion date initially of 2010-2012 and that has been rapidly moved forward because of the federal support.

Mr. Weekes: — Thank you. Going to another stretch of highway. This stretch is Highway No. 4 between Biggar and Rosetown. And it's a stretch of highway that I believe has been . . . some construction has been done on the last year or two. But the residents of that area have been complaining about . . . Well just quite frankly, the highway started breaking up soon after it was resurfaced. Are you aware of this problem in that area? And what remedies are you looking at?

Hon. Mr. Lautermilch: — Mr. Weekes, it would appear Mr. Schmidt is well aware of the program, the problem, and I think he would be able to comment on that.

Mr. Schmidt: — Yes. As you mentioned, there was some work — I believe it was from Rosetown just north towards the junction of Highway 31 — that was undertaken last year. And unfortunately some failures have shown up in that project. So our engineers and technicians have been in the process of undertaking some field testing and determine the cause of the failures.

And so we'll be working, well we'll be working with the contractor to determine the best repair mechanism for that, the best way to take care of those failures that occurred prematurely. And then we'll be working accordingly with the contract requirements, specification requirements for that

individual contract with the contractor.

Mr. Weekes: — Could you elaborate a bit on that? I mean what . . . If the highway isn't standing up in such a short period of time, is the contractor under any responsibility to pick up the cost of those repairs?

Mr. Schmidt: — That project was a resurfacing project so what . . . There was a specific design done for that to determine the amount of thickness of asphalt, the specifications for the asphalt based on the traffic volumes and the function of the road. And so certain specifications go out.

So that is what we're undertaking right now, to determine if the failures occurred because specifications were not met in the quality of mix, in the aggregate when it was crushed, when the mixing was done, in the way it was laid on the road, the construction techniques. And then we will be in a better position to determine if that is something that is an obligation of the contractor to repair, or if possibly it was accepted and the specifications were met, and it was maybe an issue with the specifications that we have to review.

So those are the things that we'll be determining as part of our ongoing investigation into those failures — to determine again whether it's a specification problem or whether it was the quality of the materials or the matter in which the construction was completed.

Mr. Weekes: — Could you tell me, when contracts are given to construction firms, is there money held back for a certain time? Or what does the contract state to look after concerns like this situation?

Mr. Schmidt: — Yes, every contract has . . . As the payments are being made, there's a specified amount of holdback. And then even upon completion, there's a specified amount of holdback. I believe it's approximately 10 per cent of the contract award, and that is held back until such time as all the finals are completed and the roadway is accepted in all aspects. And the final release is given to the contractor. And after the final release is given to the contractor, then the holdback is released as well.

Mr. Weekes: — One more question concerning this particular . . . Has any of the releases been given because this has been over a few months if not a few years?

Mr. Schmidt: — I will have to undertake to determine exactly what the status is of this contract. I'm not aware offhand.

Mr. Weekes: — Well thank you very much. Thank you for your answers this evening, and we will meet you again next week I hope.

The Chair: — Thank you members. Seeing no further questions, and it's now slightly past 9 o'clock, the committee now stands adjourned.

[The committee adjourned at 21:02.]